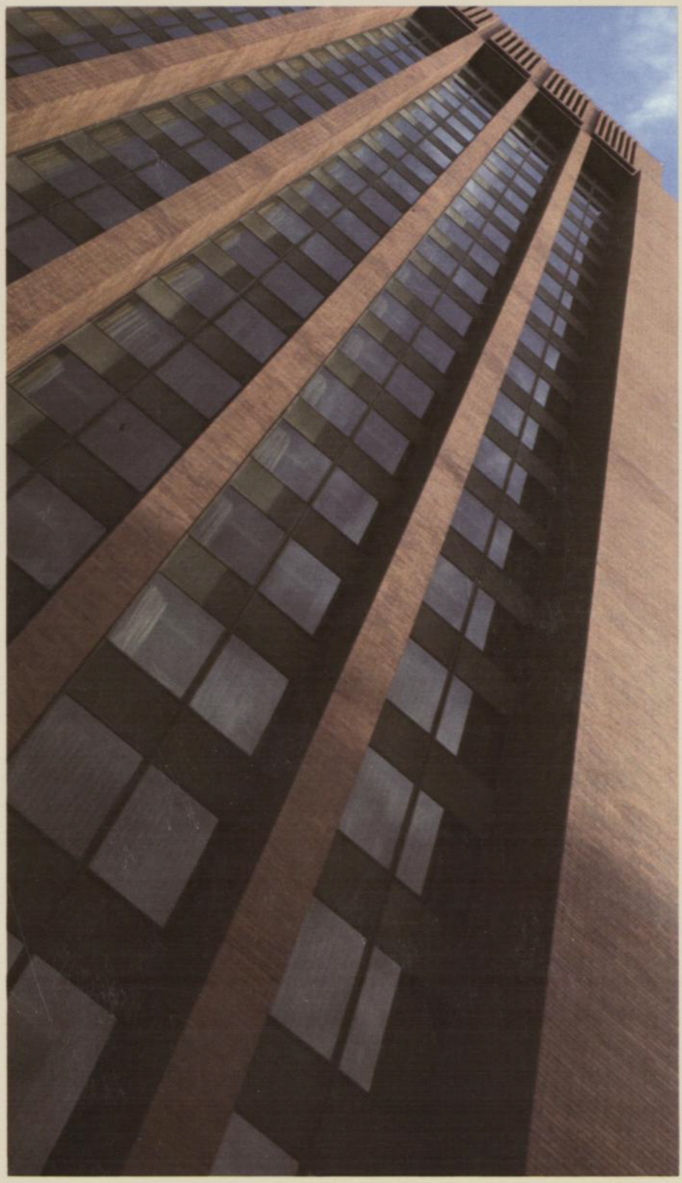
Annual Report 1984

Centran
Corporation



Highlights

(in thousands, except per share data)

For the year	1984	1983
Income from continuing operations before extraordinary credit	$ 27,120	$ 15,061
Gain applicable to discontinued operations	2,999	—0—
Extraordinary credit—tax benefit from carryforwards	14,969	2,974
Net income	$ 45,088	$ 18,035
Per common share		
Primary earnings:		
Income from continuing operations before extraordinary credit	$ 5.26	$ 2.53
Gain applicable to discontinued operations	.77	—0—
Extraordinary credit—tax benefit from carryforwards	3.85	.76
Net income	$ 9.88	$ 3.29
Cash dividends declared	$ .55	$ .40
Book value at year end	37.95	28.66
Average common shares outstanding	3,892	3,884
Profitability ratios		
Net income as a percent of average:		
Total assets	1.54%	.63%
Total equity capital	22.88	10.29
Common shareholders' equity	30.24	12.15
At year end		
Net loans	$1,674,647	$1,531,735
Investment securities	516,392	492,635
Short-term investments	505,915	497,367
Earning assets	2,696,954	2,521,737
Total assets	3,115,592	2,883,634
Total deposits	2,314,910	2,218,279
Redeemable preferred stock	70,000	70,000
Common shareholders' equity	147,834	111,385

The cover.

Centran's record of responsiveness in meeting challenges affecting its future—the theme of this Report—is reflected in its headquarters locations, which have moved with the center of downtown Cleveland from the historic Perry Payne Building (left photo) at West 9th and Superior in 1890 to the present corporate headquarters at East 9th and Superior.

Fifty-ton vault door that can be moved with one hand is in Central Bank's historic United Office, which played a major role in Centran's early growth.

Tiny microchips (greatly magnified) symbolize telecommunications and computers—providing instant information and worldwide reach to Centran Corporation.

Ann,

Here's the Centran report. Whichever format you decide on for the gift information is fine with me. It should say "Gift of Ruth Ketteringham."

Thanks again!

Sandy W.
12-6-06

1984 - Gift of
Ruth Ketteringham

York-based bank holding company, currently owns $70 million of Centran's Series A Cumulative Preferred Stock and a Warrant to purchase 2,333,333 shares of Centran Common Stock (approximately 37.5% of Centran's Common Stock).

# # #

agreement in principle to acquire 16 Greater Akron Offices from BancOhio, Corporation. Regulatory approval has been obtained and it is anticipated that the transaction will be completed in November, 1984. In addition to its traditional banking services, Society also operates a mortgage banking company, which is active in 4 states, and owns a savings and loan subsidiary in Ohio.

Centran has total assets of $2.9 billion. It has 82 offices in central and northern Ohio. Centran operates 48 branches and 9 remote facilities in Greater Cleveland and 16 branches in the Greater Akron area. At June 30, 1984, Centran was the seventh largest bank holding company in Ohio. Centran also has an Edge Act subsidiary in New York City and a representative office in Mexico City.

Under the terms of the proposed Society-Centran transaction, Centran common shareholders will have the option to receive either $36 in cash or 1.07 shares of Society Corporation Common Stock for each Centran share. The agreement further provides 52% of outstanding Centran Common Shares will be exchanged for Society Common Stock. Each presently outstanding Society Common Share will continue as one Society Common Share after the merger.

The Society-Centran agreement in principle is subject to the execution of a definitive merger agreement, which in turn will require approval by shareholders of both companies and receipt of all regulatory approvals.

Under the terms of a concurrent agreement in principle, Marine Midland Banks, Inc. will receive $26 million in cash and $50 million in Non-Voting Adjustable Rate Perpetual Preferred Stock in the Society Corporation. Marine Midland will also receive Warrants to purchase 10% of Society Corporation's Common Stock at an exercise price of $40.00 in cash per share. Marine Midland, a New

delighted to be able to bring this transaction to our shareholders for approval. We believe this proposed merger is very much in their best interests. Regional banking across state lines may be close at hand. Large, well managed bank holding companies are the ones that will be able to capitalize effectively on the growth opportunities of interstate banking. The combination of Society and Centran will position the new company to take full advantage of the opportunities we see in the rapidly changing financial services industry."

Under terms of the agreement in principle, Marine Midland Banks, Inc. will hold Preferred Stock and a 15-year Warrant to purchase 10% of the Common Stock of Society Corporation.

Robert W. Gillespie, President of Society who will serve as Deputy Chairman and Chief Operating Officer of the combined company, said, "The arrangement with Marine Midland will provide the unique opportunity for Society and Centran customers to benefit from a relationship with a major worldwide financial organization, while at the same time retaining for Society's Board of Directors the ultimate long-term control of the company's direction."

Mr. Heffern added, "This merger will permit Society and Centran to strengthen our total position in Northern Ohio -- a market we both know well and in which we have great confidence -- while also creating substantial cost efficiencies. The resulting more competitive organization will be better able to serve both shareholders and customers in today's dynamic environment. We believe that Society and Centran will create a combined unit stronger, more efficient and more competitive than either could become independently."

Society has total assets of nearly $5.7 billion. Its four banking regions operate 194 offices in 31 counties throughout Ohio. Society operates 39 branches in Greater Cleveland and 9 in Greater Akron. Additionally, Society earlier this year announced an

(more)

216-622-8134
Roger Hippsley - Centran
216-344-3734

CLEVELAND, OHIO (September 24, 1984) -- Key officers of Society Corporation and Centran Corporation expressed great enthusiasm for future prospects in commenting at a press conference here concerning an agreement in principle announced earlier today to merge the two companies.

Combination of the two Cleveland-based bank holding companies would result in a new entity with more than $8 billion in assets. The proposed transaction is subject to execution of a definitive agreement which in turn will require approval by shareholders of both companies and receipt of all regulatory approvals. Both Society and Centran executives expressed confidence that the merger could take effect by mid-1985.

Gordon E. Heffern, Chairman of Society, who will be Chairman and Chief Executive Officer of the combined corporation, said, "From our standpoint, Centran is a highly attractive, Cleveland-based institution that offers great new opportunities for growth in combination with Society. They have some products and services we do not offer and we have some they are not providing. After the merger, we will be able to supply our combined customer base with a wider range of such products and services. The Greater Cleveland community and indeed all of Ohio will be well served because of the strength and efficiencies that will result from a larger, combined operation."

Wilson M. Brown, Jr., Chairman, President and Chief Executive Officer of Centran who will be President and Chief Administrative Officer of the new Society Corporation, commented, "We are

(more)

800 Superior Avenue
Cleveland, Ohio 44114
(216) 344-3762

Wilson M. Brown, Jr.
Chairman of the Board
and President

Centran
Corporation

Left facade Society Bldg
Right new Centran headquarters
S'W corner, Ninth + Superior

September 28, 1984

TO OUR SHAREHOLDERS:

I am pleased to report that Centran Corporation has entered into an agreement in principle to merge with Society Corporation, a highly-regarded, Cleveland-based bank holding company.

Under the terms of the proposed transaction, you may receive either $36.00 in cash or 1.07 shares of Society Corporation Common Stock for each share of Centran Corporation Common Stock.

As is explained in the attached copy of a news release issued this week, our agreement in principle is subject to the execution of a definitive merger agreement, which in turn will require approval by shareholders of both companies and regulatory authorities. We anticipate that the definitive merger agreement and all other information necessary for you to reach a decision will be finalized and forwarded for your consideration in the near future.

We believe that this proposed merger is very much in your best interests. Large, well-managed bank holding companies are the ones that will be able to capitalize effectively on current and future opportunities for growth. The combination of Centran and Society will result in a new company with total assets in excess of $8 billion - ranking it as one of the largest bank holding companies in Ohio and among the top 40 in the nation. Through its strength and operating efficiencies, this company will be well-positioned to compete effectively in the rapidly changing financial services industry.

We hope you share our enthusiasm for the proposed merger.

Sincerely,

Wilson Brown

Wilson M. Brown, Jr.

Annual Report 1984

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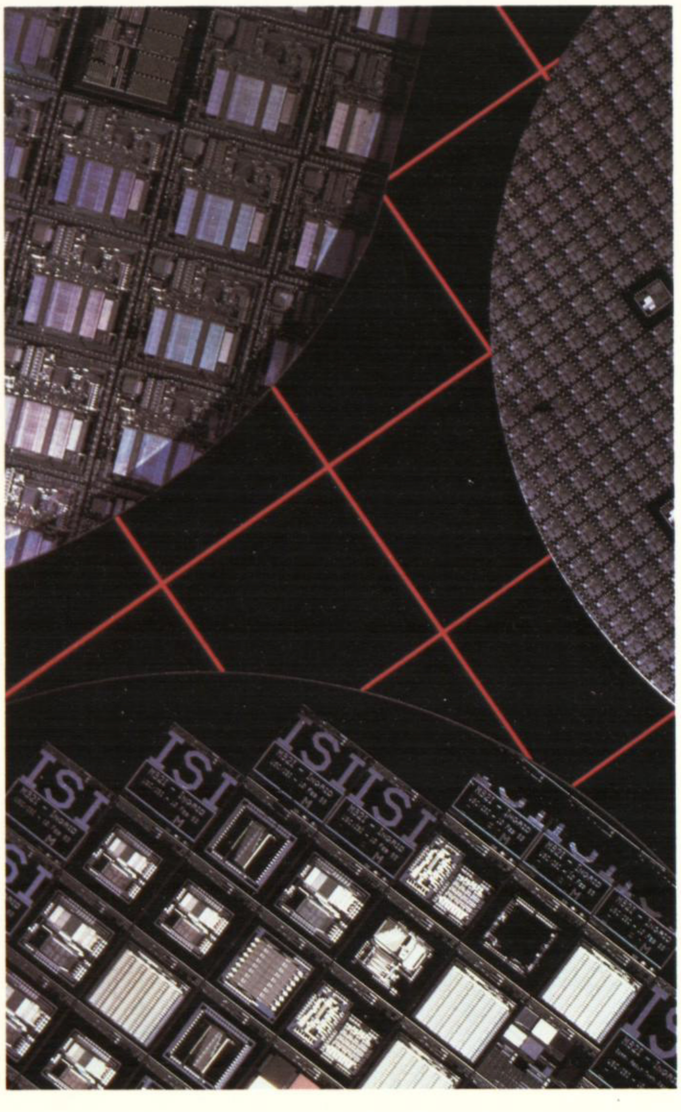


To Our Shareholders:

Centran Coporation had an outstanding year in 1984. Net income reached a record $45.1 million, or $9.88 per share. Our earnings, excluding nonrecurring gains, were an all-time high of $30.3 million, or $6.09 per share.

Record earnings achieved through basic banking activities

Recurring earnings increased 68% over 1983. The reasons were broad-based. Our staff generated excellent increases in fee income and maintained equally good control of expenses. Most importantly, we achieved significantly higher net interest income through loan growth and improved interest margins. Sales efforts throughout the organization generated a $215 million increase in average total loans, 15% higher than in 1983. Most of this increase occurred in variable-rate commercial and consumer loans.

Loan growth was achieved while internal credit quality standards were maintained. The improved quality of our loan portfolio resulted in a sharp decline in charged-off loans and in a reduced expense provision for loan losses. The loan-loss provision exceeded net charge-offs by $3 million, resulting in a strengthened allowance for loan losses. At year-end, this allowance was $20.8 million, representing 1.23% of total loans.

Fee income from trust services was 19% higher than in 1983, and service charges on deposits increased 14%. Operating expenses were up only 4%.

Non-recurring gains

Centran's 1984 earnings include two non-recurring items. In August we settled a suit that we brought in 1978 to recover the cost of repairing the brick work on our headquarters building. Under the terms of this settlement, we received $19 million. This resulted in an $11.7 million increase in net income and a reduction of fixed assets of $7.3 million, representing previously capitalized repair expenses.

In June it was determined that a reserve established for the discontinued operation of our finance company subsidiaries was no longer needed. The elimination of the reserve account resulted in a $3.0 million gain.

Capital position strengthened

At year-end 1984, Centran and each of its subsidiary banks had primary and total capital ratios well in excess of regulatory guidelines. During 1984 Centran increased its primary capital by $36.4 million, or 28%, through retained earnings and additions to the reserve for loan-losses.

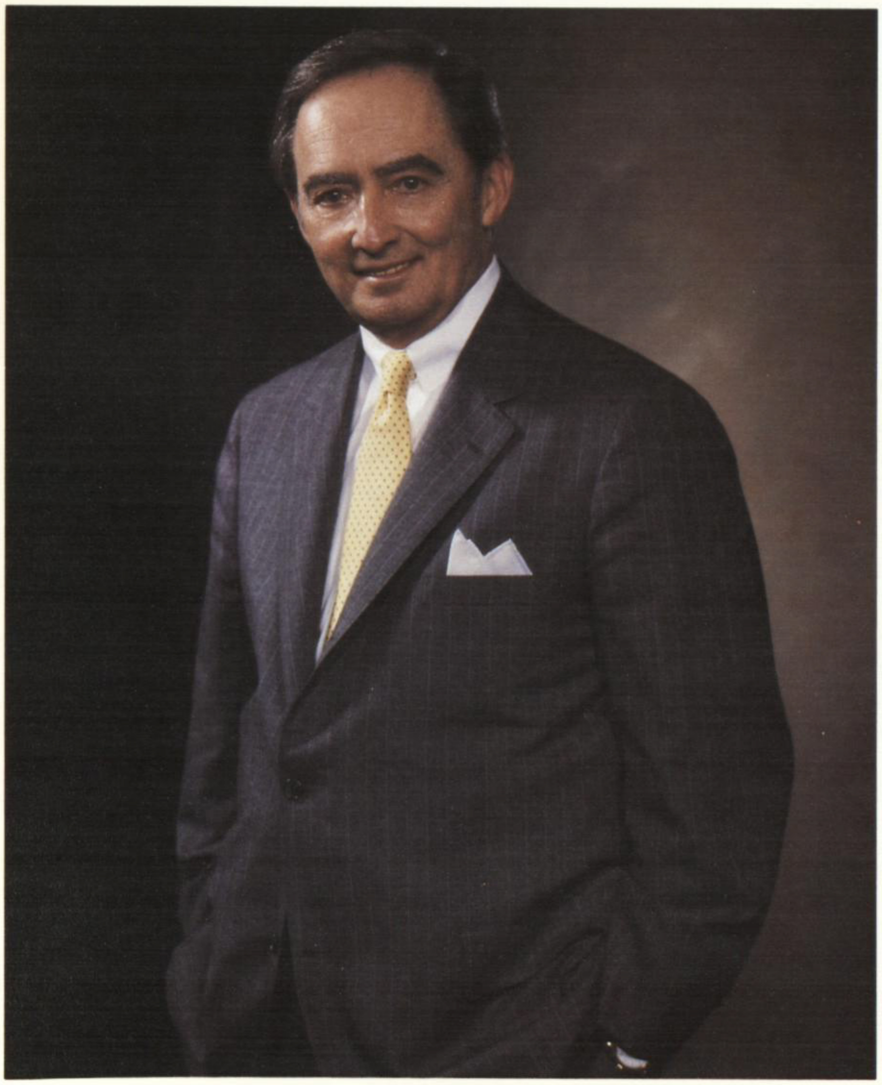
Merger process under way

At the end of the third quarter, we announced our intention to merge with Society Corporation, another Cleveland-based bank holding company. The definitive agreement for the merger has now been executed. Recently, key management positions were announced for executives of Centran and Society who will assume leadership of Society Corporation after the proposed merger. Over the coming months, this management team will be working jointly on actions to implement the merger.

In March an application will be filed with the Federal Reserve Bank of Cleveland requesting approval for the proposed merger. We hope to receive approval around mid-year.

Shareholders meetings of both Centran and Society corporations to vote on the merger will be held this summer. Terms of the merger will be described in proxy materials distributed in advance.

Wilson M. Brown, Jr.



Assuming that both regulators and shareholders approve the merger of the two holding companies, we anticipate that the merger of Centran into Society will occur at the end of August.

Agreements have recently been reached to divest 18 Central National Bank branches and The Sutton State Bank, our affiliate in Seneca County. It is proposed that the 18 branches will be sold to First Bancorporation of Ohio, and that Sutton State will be sold to Sutton Bancshares, Inc. These transactions are expected to be concurrent with the consummation of the holding-company merger.

Full integration of Central National Bank and Centran Bank of Akron into Society National Bank—Northern Region will likely occur around year-end. Centran's other affiliate banks will be merged into banking subsidiaries of Society Corporation in 1986.

Common dividend increased

Earlier this month the Board of Directors increased the quarterly dividend on Centran's common stock from $.15 per share to $.20 per share. This increase will be reflected in the April dividend payment.

Office of the Chairman members: Roger Noall, Executive Vice President and Chief Financial Officer; W. Robert Perkins, Senior Vice President and Treasurer; and Richard W. Epps, Senior Vice President, Operations.

Looking ahead

We are optimistic as we view 1985. We will work hard to maintain the momentum of 1984 with continued commitment to the fundamentals of banking. We will strive to provide the highest quality service to our customers. We plan to increase net interest income through growth in loans which meet our standards, and we will continue programs aimed at controlling operating expenses through productivity and efficiency improvements.

In 1985 Central National Bank, the lead bank of Centran Corporation, will celebrate its 95th anniversary as a Cleveland financial institution. As we approach this milestone and prepare for the proposed merger with Society, we have taken the opportunity in the following section to review Centran's history and accomplishments.

The employees of Centran have worked diligently to achieve a fine record of quality service and outstanding performance. I thank them very much for their hard work and dedication. We are proud of the contribution Centran's staff has made to Greater Cleveland and the State of Ohio. We are eager to share in the growth that lies ahead for our community and our customers.

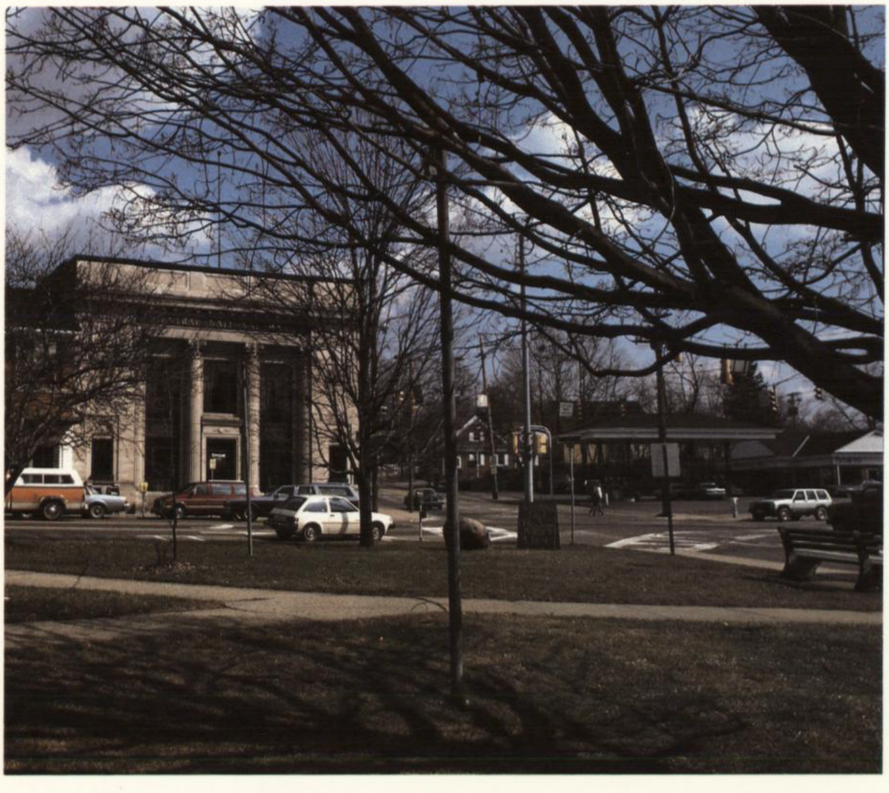
Wilson Brown

Wilson M. Brown, Jr.
Chief Executive Officer
March 21, 1985

Office of the Chairman members: David L. Stith, Executive Vice President, Corporate Banking; Anthony Heyworth, Senior Vice President, Corporate and Fiduciary Services; and Stephen E. Wall, Executive Vice President, Retail Banking.

A record of responsiveness... to meet tomorrow's challenges.

Central Bank's Chagrin Falls Office, originally opened to serve agricultural and maple-syrup markets, today serves a large suburban community and area businesses.



Banking is in the throes of revolutionary change. Geographic barriers are giving way to reciprocal agreements among contiguous states which permit regional mergers and acquisitions. The lobby for nationwide interstate banking gains momentum.

Retailers are extending their business definitions to include provision of financial services to their customers.

The "bank of the future," some say, is as near as the telephone, given the expanded product lines offered by brokerage houses and insurance companies.

New financial products, especially for the consumer, have been authorized by deregulation and their growth spurred by competitive offerings of banks and new entrants into the financial services industry.

Rates paid on deposits have risen. Earnings margins have narrowed.

Technological change and innovations in processing techniques present opportunities for offering new products, serving new markets and achieving efficiencies.

At Centran the stage for the challenge of the future has been set by its solutions to the problems of the past.

Unending change

Recognizing and responding to change have been key factors in Centran's progress going all the way back to its origins as Central National Bank of Cleveland, founded in 1890 by Colonel Jeremiah J. Sullivan.

Capitalized at $800,000, the Bank opened its doors in the then-new Perry Payne Building, which still stands on West Superior Avenue in downtown Cleveland. This favorable location also attracted practically all the city's coal, iron ore, mining, and shipping companies. That helped Central grow rapidly, ending its first decade of operation with total assets in excess of $4.5 million.

Over the years, Central has relocated its headquarters office as the bank grew and the city of Cleveland and its business district expanded. The first move, in 1905, was to the then-newly constructed Rockefeller Building. Subsequent moves were made to 308 Euclid Avenue and to the Midland Building near Terminal Tower. Finally, in 1969 Central relocated "downtown" at the Central National Bank Building at East 9th and Superior Avenue in the heart of Cleveland's financial district.

Capital expansions

Growing banks require more capital as well as more space. In 1921, to enlarge its capital structure and ensure its ability to meet the loan requirements of its commercial customers, Central consolidated with Superior Savings and Trust, which had been established in 1905 by Central's founder, J. J. Sullivan, when federal law prohibited national banks from engaging in trust and savings businesses. Total capital nearly doubled, and the bank expanded into new lines of business.

As the Roaring Twenties continued, bank consolidations took place in New York, Chicago, Boston, and Detroit as institutions increased their capital bases to keep pace with the accelerated growth of commerce and industry. Central also sought to increase its capital and lending power to prevent loss of business to other financial centers. And in 1929, it merged with United Banking and Trust Company, forming the largest national bank in Ohio.

In 1930, Central took another growth step and acquired Oul Savings and Loan Company in Cleveland's "Little Bohemia."

International financing opportunities through New York City Edge Act office and representatives abroad have continually added new growth to Centran's assets.

After the bank holiday of March 1933, Central was one of only 279 banks authorized by the Treasury Department to reopen immediately with no restrictions. That same confidence was reflected by the bank's customers, who pushed its deposits up by 42% in ten days after the reopening.

Branching out

The success of the Oul Office demonstrated the advantages of taking full banking services into the city's neighborhoods for the convenience of their commercial enterprises and households. In 1933, Central opened four more branches in Cleveland and contiguous suburban areas. And the first branch in an outlying suburb, Chagrin Falls, was opened in 1934.

The development of suburban America was in full swing by 1950. At that time Central launched a long-range expansion program and added 20 new offices to the bank by 1960, locating branches in areas showing significant population increases. Five more branches were added through mergers with the Brecksville and North American banks during the same period.

By 1967, Central's customers enjoyed the convenience of 47 full-service offices—the second largest branch system in Ohio.

International banking

The growing importance of foreign trade to our local economy was realized in 1959, when the first ocean-going freighter arrived in Cleveland through the St. Lawrence Seaway. But foreign-trade financing services had been available at Central Bank since the 1920's, when the bank opened the first International Banking Department in the state of Ohio.

International services to assist importers, exporters, and firms operating abroad included transaction financing, letters of credit, foreign collections, exchange trading, and drafts and remittances.

As international business expanded in the 1960's and 1970's, Central again led as the only Ohio bank to establish an "Edge Act" subsidiary in New York City to facilitate customers' overseas transactions and provide access to world trade centers.

Fresh management approaches

In a process which seems commonplace today but which was pioneering at the time, Central undertook a self-study of its business and methods of operation in 1960 in order to develop an organization geared to growth.

As a result of this study, Central put in place management techniques adapted from industry, including the installation of a complete cost accounting system and adoption of management by objectives. Key organization points were made responsible for successful operation of independent "profit centers." Five-year plans were established with goals and objectives against which profit centers and staff areas would be measured.

Five years later, Central achieved total assets in excess of $1 billion.

A new corporation

Centran Corporation was formed in 1971 to capitalize on growth opportunities made available through federal bank-holding-company law.

Creating the corporation enabled the organization to maximize Central's Cuyahoga County franchise and to expand geographically through affiliations with other banks in Ohio. The first of those affiliations outside Central's traditional market was with the American Bank of Commerce, later renamed Centran Bank of Akron.

Centran acquired three more banks in 1972—Richland Trust in Mansfield, Farmers and Savings in Loudonville, and Sutton State Bank in Attica.

Richland Trust serves the principal population and financial center of north-central Ohio, an area with a balanced economy of industry, agriculture, transportation, and recreation.

Farmers Bank serves the agricultural and recreational Greater Mohican area through its headquarters office in Loudonville and branch in Perrysville.

Sutton Bank, founded over a century ago, is the oldest bank affiliated with Centran. Located in Seneca County, it specializes in financing the purchase of farm real estate and machinery, seeds, and fertilizer.

Franklin Bank in Columbus was acquired in 1980 to give Centran a competitive presence in the retail and commercial markets of Ohio's capital city.

Akron affiliate, which marked the beginning of Centran's geographic expansion, thrives today as a successful and profitable banking partner.

Centran Bank
ntranBank

Serving new markets

In the mid-'70's Centran sought to maximize the penetration of its existing markets and to cultivate new ones. It embarked on a program of research designed to identify corporate and consumer segments that could be most profitably served by the corporation.

While continuing to serve its many national corporate customers, Centran increased its focus on providing specialized lending and financial services tailored to the requirements of the middle market.

Organizational changes resulted from the segmentation research. The Commercial Banking Division was formed to serve the special needs of small privately owned businesses, and the Personal Financial Services Division was formed to accommodate the private banking needs of business owners, executives, and professionals.

The business of banking is fast becoming a financial services industry in which the impact of competition (or cooperation) can be felt from halfway around the world.

Consumer conveniences

Responding to the consumer's increasing demands for banking conveniences, Central Bank has pioneered a number of innovative services over the years.

In 1950, Cleveland's first auto-teller window opened at the bank's Playhouse Square Office.

The bank introduced Central Card, Cleveland's first bank credit card, in 1968. Later, Central Card converted to the internationally recognized Master Charge, now MasterCard.

In the early 1970's, Statement Savings accounts (savings accounts without a passbook) and simple-interest installment loans were brought to the market.

The Ready Bank automated teller machine (ATM) system, launched at Central in 1977, has been continually expanded to serve customers in convenient locations, including shopping centers, hospitals, office buildings, factories, and the concourse of Cleveland's famed Terminal Tower.

In the 1980's the Ready Bank system was extended to three other Centran affiliates and linked to both the five-state regional Instanet shared-ATM network and the nationwide Cirrus network. Now, Centran's customers have access to their accounts 24 hours a day, 7 days a week, through machines across the U.S.A.

Perhaps the ultimate in convenient delivery of consumer services is reflected in Centran's many bank-by-phone offers introduced in recent years: telephone transfer, centralized customer service, Loanline, IRA Hotline, and brokerage service.

Banking revolution

Until the mid-1970's, most changes in banking were the result of competition between local banks and within a highly regulated environment. That ceased with the emergence of nationally based competitors entering local markets and the development of non-regulated banking services for consumers.

Money-center banks were traditionally viewed as serving large corporations on a nationwide basis, leaving the important middle-market corporate segment to local banks. Loan production offices, placed in attractive commercial markets such as Cleveland, Cincinnati, and Columbus by money-center and major regional bank holding companies, soon evolved into competition for local banks in both the large corporate and middle-market segments.

One of the more aggressive developments on the consumer banking front has been the "non-bank" bank. Money-center and major regional banks are forming these companies, which can collect deposits and provide other financial services, excluding commercial loans.

This structure permits banks to avoid interstate banking restrictions and enter attractive markets without regard to geographic barriers. The supposition is that, once interstate banking is permitted, these institutions will already be in place in key markets with a retail delivery system from which a national franchise can be established.

Conversely, the growth of money market mutual funds in the 1970's demonstrated that local convenience and physical presence do not necessarily prevail when savers and investors can earn market rates of interest through national financial-service providers.

The combination of aggressive marketing by the funds and the inability of banks to offer competitive products because of federal regulation resulted in customers' being sensitized to interest rates and learning to trust their money to national marketers.

Dawn of deregulation

In an attempt to restore competitive parity, Congress passed the Depository Institutions Deregulation Act of 1980. The new law began the phasing out of interest rate controls on savings and permitted the introduction of new products. But it also intensified competition by granting new, bank-like powers to thrift institutions and credit unions.

As a result, the entire financial services industry began paying higher, market rates on more types of deposits. And consumers had the advantage of choice re-established as banks could offer insured money market deposit accounts in direct competition with money market mutual funds.

Simultaneously, generalized inflation, economic growth, and increased compensation levels pushed up the costs associated with operating traditional bank offices. In response, Centran placed renewed emphasis on fee-producing services, productivity improvements, and containment of expenses.

Market segmentation strategies have directed unique banking services toward new middle market and privately owned businesses expanding in northeastern Ohio.

One result of the changing cost structure was that Centran's banks undertook systematic reviews of their brick-and-mortar banking facilities. In the early '80's, the facilities were restructured into a series of regional banking centers, offering full-service banking and supported by satellite offices and electronic banking facilities.

Information age

Technology and innovation have altered the banking world and brought the financial services industry into an information age. Advanced computer systems not only permit high-speed processing of customers' accounts at lower costs but also provide the data necessary to assist informed decision-making by management. Technology drives our products and the lines of business into which we enter. Information derived from technological systems provides the basis for sales and marketing efforts, investment decisions, and strategic planning.

Centran anticipated this important trend and in 1980 completed an intensive analysis of its existing automation facilities and systems to determine overall strengths and weaknesses. It was concluded that significant enhancements were necessary for Centran to be highly responsive in the competitive period of the 1980's and 1990's. A commitment was made to a comprehensive five-year automation plan, designed to incorporate the most recent technological advances into Centran's computer systems.

Building on strength

Out of its long history, a tradition of responsiveness and innovation has contributed to the character and strength of Centran Corporation.

"What's past is prologue." The past provides the foundation upon which Centran develops new strengths and strategies to maintain its competitiveness and meet the complex needs of more sophisticated markets.

Today is the time to meet the challenges of a new era when banks will be doing things differently, moving ahead of the usual way of serving customers. Traditional strategies no longer apply. The lead now goes to those with the marketing and technological skills to exploit new opportunities across broader regional and national markets.

The need for today's banks is to take bold new steps and adapt to tomorrow's world if they are to retain their major role in the financial services industry.

At Centran we are confident the challenges will be met, as challenges always have been, by the men and women of insight and imagination who work in this organization.

Loretta Princ, cash teller, Oul Office, with 42 years of service, represents "the bank," mindful of our customers' desires for quality banking services and personalized attention.

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MISS PRINC

Financial Section

Person-to-person approach to helping meet the special banking needs of business owners, executives, and consumers alike is a hallmark of Centran service.

Greater Cleveland, historically a market dominated by the industrial sector, is experiencing rapid growth in the important service-oriented business segment.

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Financial Review

The financial review presented on the following pages contains management's discussion and analysis of Centran Corporation's financial condition and results of operations for 1984, as well as providing comparisons with prior years. This review should be read in conjunction with the consolidated financial statements and accompanying notes presented elsewhere in this report.

Selected consolidated financial data for Centran for each of the five years ended December 31,1984 are presented below.

Selected consolidated financial data

(in millions of dollars, except per share data)

Year ended December 31	1984	1983	1982	1981	1980
Results of operations					
Interest income	**$298.1**	$271.4	$ 298.4	$327.0	$293.0
Interest expense	**196.2**	178.8	210.2	269.8	218.4
Net interest income	**101.9**	92.6	88.2	57.2	74.6
Provision for loan losses	**7.5**	10.9	9.4	3.6	5.0
Non-interest income	**48.0**	32.5	30.8	29.2	36.3
Investment securities gains (losses)	**.4**	.1	(50.1)	(10.9)	(3.7)
Non-interest expense	**99.6**	95.6	97.2	88.0	79.8
Income (loss) from continuing operations before extraordinary credit	**27.1**	15.1	(38.4)	(12.2)	24.6
Net income (loss)	**45.1**	18.0	(58.7)	(22.2)	24.1
Earnings per common share					
Primary:					
Income (loss) from continuing operations before extraordinary credit	**$ 5.26**	$ 2.53	$(10.69)	$ (3.16)	$ 6.34
Net income (loss)	**9.88**	3.29	(15.91)	(5.71)	6.21
Average shares outstanding (thousands)	**3,892**	3,884	3,882	3,881	3,879
Assuming full dilution:					
Income (loss) from continuing operations before extraordinary credit	**$ 4.30**	$ 2.41	N.A.	$ (3.16)	$ 6.32
Net income (loss)	**7.15**	2.89	N.A.	(5.71)	6.19
Average shares outstanding (thousands)	**6,304**	6,231	5,827	3,881	3,888
Cash dividends declared	**$ .55**	$ .40	$ .40	$ .94	$ 2.44
Book value per common share	**37.95**	28.66	25.78	42.09	48.75
Profitability ratios					
Net income as a percent of average:					
Total assets	**1.54%**	.63%	(2.09)%	(.69)%	.73%
Total equity capital	**22.88**	10.29	(34.87)	(12.23)	13.20
Common shareholders' equity	**30.24**	12.15	(55.99)	(12.23)	13.20
Year-end balances					
Net loans	**$1,675**	$1,532	$ 1,338	$1,343	$1,374
Investment securities	**516**	493	517	759	970
Short-term investments	**506**	497	519	345	442
Earning assets	**2,697**	2,522	2,374	2,447	2,786
Total assets	**3,116**	2,884	2,761	2,903	3,436
Domestic core deposits	**1,993**	1,892	1,656	1,643	1,593
Time deposits $100,000 or more	**313**	317	366	456	565
Short-term borrowings	**461**	378	426	479	680
Long-term debt	**43**	46	60	68	80
Redeemable preferred stock	**70**	70	70	—	—
Common shareholders' equity	**148**	111	100	163	189

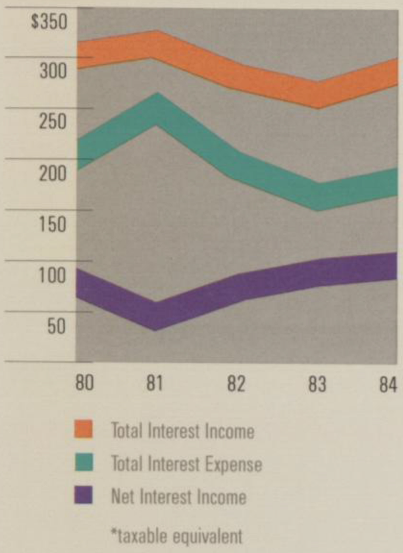
N.A. Not applicable because the calculation produces an anti-dilutive result.

Consolidated summary of earnings—1984

(in thousands)	Recurring Income	Non-Recurring Gains	Total
Income from continuing operations before income taxes and extraordinary credit	$31,423	$11,740	$43,163
Applicable income taxes	10,643	5,400	16,043
Income from continuing operations before extraordinary credit	**20,780**	6,340	27,120
Gain applicable to discontinued operations	—	2,999	2,999
Extraordinary credit—tax benefit from carryforwards	9,569	5,400	14,969
Net income	$30,349	$14,739	$45,088

Net income in 1984 included two non-recurring gains. A $19.0 million settlement of litigation concerning repairs to Centran's headquarters building resulted in a non-recurring gain of $11.7 million and a recovery of $7.3 million of capitalized costs; a reversal of the remainder of a reserve for discontinued operations resulted in a gain of $3.0 million. Excluding these two items, 1984 net income was $30.3 million, compared with $18.0 million in 1983.

Based on 1984 recurring net income, Centran's return on average total assets was 1.04%, the return on average common equity was 18.7% and the return on average total equity was 15.4%. Recurring net income per primary share was $6.09 in 1984, which is an increase of 85% over 1983 earnings per share of $3.29.

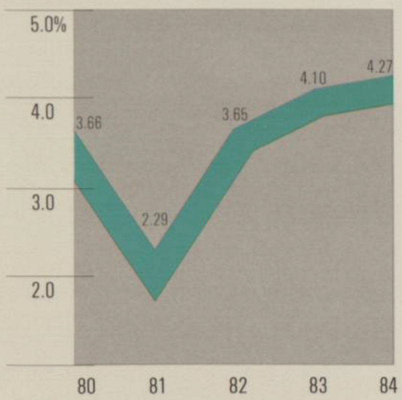

Net Interest Income*
(millions)

Net interest income

The most important component of Centran's earnings is net interest income—the difference between interest earned on loans and investments and the cost of deposits and borrowed funds. On a taxable equivalent basis, net interest income in 1984 rose to $110.6 million from $102.3 million in 1983.

The increase in 1984 was caused by higher earning assets coupled with improved interest margins. Average earning assets were 3.7% higher as a result of a 15.2% increase in average loans and a reduction in the average balance of short-term investments and investment securities. This more profitable mix of earning assets, supported by a higher level of non-interest bearing funds and equity, resulted in higher interest margins. Average common shareholders' equity rose 20.8% in 1984 through retention of earnings. Investable funds increased because of a reduction in fixed assets and a reduction in float made possible by operational improvements.

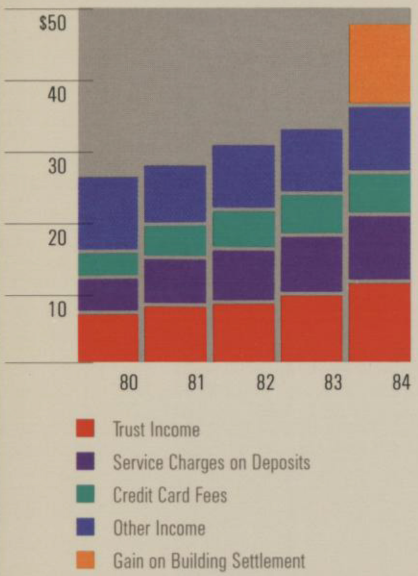
The table below shows the net interest margin for the past three years. A detailed analysis of the components of the net interest margin on a taxable equivalent basis can be found on pages 42 and 43 of this report.


Net Interest Margin
(taxable equivalent)

Net interest margin (taxable equivalent basis)

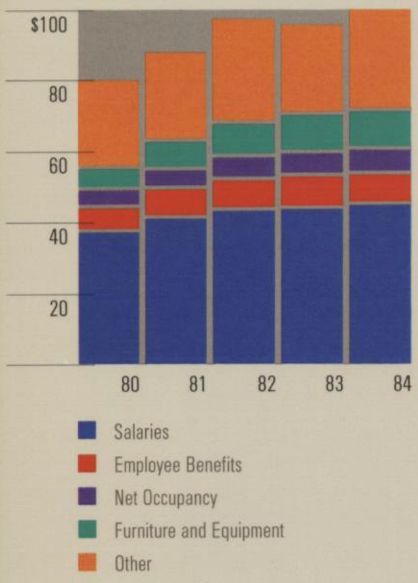
	1984		1983		1982	
(dollars in millions)	**Average Balance**	**Rate**	Average Balance	Rate	Average Balance	Rate
Earning assets	**$2,588.3**	**11.85%**	$2,496.1	11.26%	$2,417.2	12.34%
Interest bearing liabilities	**2,196.2**	**8.93**	2,127.4	8.40	2,041.7	10.29
Spread		**2.92**		2.86		2.05
Non-interest bearing liabilities and equity	**392.1**	**1.35**	368.7	1.24	375.5	1.60
Net interest margin		**4.27%**		4.10%		3.65%

Selected Non-Interest Income*
(millions)



*Excludes Gains and Losses on Security Transactions and Trading Account Income

Non-Interest Expense
(millions)



The following table provides an analysis of the effects of changes in rate and volume on net interest income.

Changes in taxable equivalent net interest income—rate/volume analysis

Year ended December 31	Increase (decrease) 1984 over 1983			Increase (decrease) 1983 over 1982		
(in millions)	Volume	Rate	Total	Volume	Rate	Total
Interest income:						
Loans—domestic	$30.7	$ 5.5	$36.2	$ 3.6	$(15.2)	$(11.6)
—foreign	(3.6)	.7	(2.9)	(.4)	(2.2)	(2.6)
Taxable securities due after one year	(4.6)	.2	(4.4)	1.6	(.6)	1.0
Tax-exempt investment securities	(.9)	—	(.9)	(5.9)	7.8	1.9
Federal funds sold and security resale agreements	(3.4)	1.0	(2.4)	1.8	(5.2)	(3.4)
Interest bearing deposits with banks	(9.2)	3.6	(5.6)	11.8	(14.3)	(2.5)
Other short-term investments	6.1	(.4)	5.7	(.3)	.2	(.1)
Total interest income	15.1	10.6	25.7	12.2	(29.5)	(17.3)
Interest expense:						
Deposits in domestic offices:						
Savings and NOW deposits	4.9	1.4	6.3	21.1	—	21.1
Time deposits under $100,000	3.2	1.0	4.2	(6.0)	(12.1)	(18.1)
Time deposits $100,000 or more	.7	2.8	3.5	(7.6)	(9.0)	(16.6)
Deposits in foreign offices	(.4)	1.4	1.0	.5	(4.9)	(4.4)
Short-term borrowings	(.7)	4.2	3.5	(2.5)	(10.2)	(12.7)
Long-term debt	(.8)	(.3)	(1.1)	(.7)	—	(.7)
Total interest expense	6.9	10.5	17.4	4.8	(36.2)	(31.4)
Net interest income	$ 8.2	$ .1	$ 8.3	$ 7.4	$ 6.7	$ 14.1

Note: The variance not due to rate or volume is allocated equally between rate and volume variances.

Non-interest income

Non-interest income in 1984 rose 47.7% to $48.0 million, principally because of the gain on the building lawsuit. Excluding this gain, non-interest income increased $3.8 million, or 11.6%.

Trust fees, a significant source of non-interest income, rose 19.1% to $10.8 million in 1984. Increased assets under management, new products and fee increases all contributed to the revenue growth.

Service charges on deposit accounts rose $1.2 million, or 14.2%, in 1984. This growth was the result of greater transaction volume and higher fee schedules.

Non-interest expense

Non-interest expense rose 4.2% to $99.6 million in 1984. Salaries and employee benefits, the greatest component of non-interest expense, rose only $.6 million or 1.2%. This was made possible by productivity gains which permitted a decline in employment. On a full-time equivalent basis, employment was reduced to 2,277 in 1984 from 2,353 in 1983.

Pension expense in 1984 was reduced to $.1 million from $1.5 million in 1983. This reduction was the result of a change to a preferable actuarial cost method and changes in certain actuarial assumptions. Further detail is included on page 36 in the notes to the consolidated financial statements.

Like other Ohio banks, Centran's earnings include credits from Ohio capital stock taxes paid or accrued in prior years. Expenses were reduced in 1984 by a refund of $2.1 million. In 1983 the benefit was $1.5 million.

Net occupancy costs increased only $.2 million, or 3.2%, in 1984. The small increase reflects successful efforts to control expenses.

Applicable income taxes

For the year 1982 Centran had net losses for tax purposes which placed the Corporation in a tax loss carryforward position. During 1983 a charge in lieu of Federal income taxes of $3.0 million was included in the provision for income taxes and a tax benefit of $3.0 million was recorded as an extraordinary credit representing the utilization of tax loss carryforwards. During 1984 a charge of $15.0 million in lieu of Federal income taxes was included in the provision for income taxes, and an offsetting benefit of $15.0 million was recorded as an extraordinary credit from tax loss carryforwards.

As of December 31, 1984, a tax loss carryforward for income tax purposes of $48.3 million (equivalent to $22.2 million in taxes) is available to offset taxable income in future periods. Investment tax credits of $3.8 million are also available to offset future taxes.

Net income

The improvement in recurring earnings in 1984 over 1983 was due principally to higher net interest income caused by higher earning assets and wider net interest margins. In addition, reduced net charge-offs and higher asset quality resulted in a lower provision for loan losses in 1984 than in 1983.

Net income in 1983 was $18.0 million in contrast to a loss of $58.7 million in 1982. The 1982 loss resulted primarily from securities losses of $50.1 million incurred on sales made to restore balance between fixed rate assets and fixed rate liabilities. With the restoration of a balanced asset/liability mix, net interest income on a taxable equivalent basis increased to $102.3 million in 1983 from $88.2 million in 1982, an improvement of $14.1 million.

Non-interest income and expenses also contributed to the significant improvement in 1983 earnings when compared with 1982. Non-interest income net of securities transactions grew to $32.5 million in 1983 from $30.8 million in 1982. Non-interest expense declined from $97.2 million in 1982 to $95.6 million in 1983.

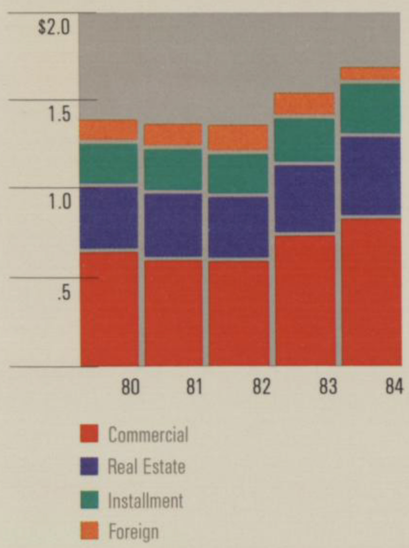
Loans

Aggressive business development efforts and improvement in Ohio's economy contributed to rapid loan growth in 1984. Average total loans increased $215 million, or 15%, to $1,626 million. Domestic commercial loans accounted for a significant part of the increase in 1984, rising $156 million or 29%. Average foreign loans were reduced 23% to $109 million.

Consumer lending, including installment and credit card loans, rose $29 million, or 11%, in 1984. Growing demand for consumer credit and aggressive marketing of variable rate installment loan products were responsible for this increase. Total real estate loans, including construction, mortgage loans and home equity loans, increased $64 million or 17% in 1984. Fixed rate residential mortgage loans, included in real estate loans, declined $5 million during the year.

Foreign loans at December 31, 1984 were $90 million, representing 5% of total loans, compared with 9% at year-end 1983.

Loans by Category at Year End
(billions)



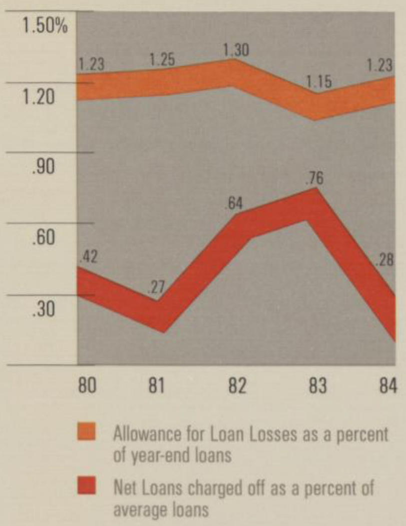
The following table shows the composition of the loan portfolio at December 31 for each of the past five years.

Distribution of loans by category

(in millions)

December 31	1984	1983	1982	1981	1980
Commercial, financial and agricultural:					
Commercial and industrial:					
Taxable	**$ 551**	$ 424	$ 337	$ 353	$ 398
Tax-Exempt	**44**	45	55	65	77
Loans to depository institutions	**37**	45	71	66	52
Loans for purchasing or carrying securities	**40**	37	27	38	36
Consumer single payment loans	**64**	74	73	51	55
Loans to farmers	**7**	4	4	4	3
Other loans	**64**	30	15	23	28
Total	**807**	659	582	600	649
Federal funds sold—term	**24**	80	13	—	—
Real estate—construction	**46**	31	27	24	25
Real estate—mortgage:					
Residential, 1-4 family	**340**	295	269	283	274
Other loans secured by real estate	**79**	70	68	73	74
Total	**465**	396	364	380	373
Installment:					
Consumer installment	**205**	176	161	165	158
Consumer credit card	**105**	97	87	85	83
Total	**310**	273	248	250	241
Foreign:					
Governments and official institutions	**36**	49	49	23	20
Banks and other financial institutions	**19**	41	27	35	40
Commercial and industrial	**35**	52	73	72	68
Total	**90**	142	149	130	128
Total loans (net of unearned income)	**1,696**	1,550	1,356	1,360	1,391
Less allowance for loan losses	**21**	18	18	17	17
Net loans	**$1,675**	$1,532	$1,338	$1,343	$1,374

Ratios for Loan Loss Allowance and Net Loan Losses



Allowance for loan losses

In 1984 the allowance for loan losses was increased $3 million. This increase was consistent with the increase in the loan portfolio. As a percentage of loans outstanding, the allowance for loan losses was 1.23% at the end of 1984, up from 1.15% at year-end 1983.

The following table presents an analysis of changes in the allowance for loan losses and related data for each of the past five years.

Allowance for loan losses

(dollars in millions)

Year ended December 31	**1984**	1983	1982	1981	1980
Balance at January 1:					
Domestic	**$ 14.6**	$ 14.5	$ 14.9	$ 15.0	$ 15.4
Foreign	**3.2**	3.2	2.2	2.2	2.0
	17.8	17.7	17.1	17.2	17.4
Loans charged off:					
Commercial and financial	**2.3**	9.2	5.4	3.9	2.9
Real estate—mortgage	**.3**	—	—	.1	.5
Installment	**3.6**	3.6	4.1	4.8	7.7
Foreign	**2.3**	3.6	2.7	—	—
	8.5	16.4	12.2	8.8	11.1
Recoveries:					
Commercial and financial	**2.3**	4.2	2.1	3.1	4.0
Real estate—mortgage	**—**	—	—	.1	—
Installment	**1.5**	1.3	1.3	1.6	1.3
Foreign	**.2**	.1	—	.3	.2
	4.0	5.6	3.4	5.1	5.5
Net loans charged off	**(4.5)**	(10.8)	(8.8)	(3.7)	(5.6)
Provision charged to expense:					
Domestic	**4.6**	7.4	5.7	3.9	5.0
Foreign	**2.9**	3.5	3.7	(.3)	—
	7.5	10.9	9.4	3.6	5.0
Allowance acquired by purchase	**—**	—	—	—	.4
Balance at December 31:					
Domestic	**16.8**	14.6	14.5	14.9	15.0
Foreign	**4.0**	3.2	3.2	2.2	2.2
	$ 20.8	$ 17.8	$ 17.7	$ 17.1	$ 17.2
Loans (net of unearned income):					
Average for the year	**$1,626.3**	$1,411.7	$1,386.9	$1,355.7	$1,351.7
Outstanding at December 31	**1,695.4**	1,549.5	1,355.8	1,360.0	1,391.3
Percentage relationships:					
Net loans charged off as a percent of average loans	**.28%**	.76%	.64%	.27%	.42%
Allowance for loan losses as a percent of loans outstanding at year end	**1.23%**	1.15%	1.30%	1.25%	1.23%

The allocation for loan losses and a percentage distribution of loans outstanding at December 31 are as follows:

Allocation of the allowance for loan losses

(in millions)

December 31	**1984**	1983	1982	1981	1980
Commercial, financial and agricultural	**$ 7.0**	$ 6.0	$ 6.0	$ 6.0	$ 5.5
Real estate—construction	**.5**	.1	.1	.1	.1
Real estate—mortgage	**.7**	.5	.5	.6	.6
Installment loans to individuals	**4.0**	3.7	3.7	5.7	5.7
Foreign	**4.0**	3.2	3.2	2.2	2.2
Unallocated	**4.6**	4.3	4.2	2.5	3.1
Total	**$20.8**	$17.8	$17.7	$17.1	$17.2

Percentage distribution of loans outstanding

December 31	**1984**	1983	1982	1981	1980
Commercial, financial and agricultural	**48%**	42%	43%	44%	47%
Federal funds sold—term	**1**	5	1	—	—
Real estate—construction	**3**	2	2	2	2
Real estate—mortgage	**25**	24	25	26	25
Installment loans to individuals	**18**	18	18	18	17
Foreign	**5**	9	11	10	9
Total	**100%**	100%	100%	100%	100%

Foreign outstandings

In 1984 foreign loans and acceptances declined $20 million. Such loans and acceptances represented 4.0% of total assets, down from 5.1% at year-end 1983. Interest bearing deposits with foreign banks, which are held as short-term investments, increased $39 million to 6.5% of total assets at year-end 1984 as compared with 5.6% at year-end 1983.

Of $35 million in loans and acceptances to the government and official institutions of Mexico, $21.8 million was refinanced in September 1984. The refinancing agreement allows the repayment of debts originally maturing from 1985 to 1990 to be repaid over a 14-year period. The average interest rate on such loans was 14.23% (approximately LIBOR plus 2%) at the time of the proposed refinancing, and the interest rates under the new refinancing program are initially LIBOR plus ⅞%, rising incrementally to LIBOR plus 1¼% in 1992. Interest payments of $3.9 million were received on such loans during 1984. At December 31, 1984, no loans to public sector Mexican borrowers were in nonaccrual status.

Of $20 million in loans and acceptances to private sector borrowers in Mexico, approximately $19.8 million was refinanced in 1983 under the "FICORCA" program of the Mexican government. The FICORCA program, as it applies to the Corporation's loans, involves a rescheduling of debt over eight to twelve years, with a four-to-six-year grace period for principal repayments.

Due to improved conditions, nonaccrual loans to private sector borrowers in Mexico declined significantly from $30 million at December 31, 1982, to $15 million at December 31, 1983 and $9 million at year-end 1984. In 1984 interest income of $.9 million was collected on such loans and included in earnings; $.4 million less than if payments had been made according to original terms.

Total loans and acceptances to customers in other countries at year-end 1984 include $11 million in Venezuela, $5 million in Brazil and $1 million in Argentina. A total of $5.5 million of the loans to customers in these countries was in nonaccrual status at year-end 1984.

Management believes that amounts outstanding in countries with economic or liquidity problems will not have a material effect on Centran's financial condition.

The following table presents a summary of the Corporation's foreign outstandings for the last three years.

Foreign outstandings

	Loans and Acceptances					
(in millions)	Banks and Other Financial Institutions	Governments and Official Institutions	Commercial and Industrial Companies	Total	Interest Bearing Deposits with Banks	Total
At December 31, 1984:						
Mexico	$—	$35	$20	$ 55	$ —	$ 55
United Kingdom	—	—	—	—	46	46
Japan	19	—	—	19	25	44
France	—	—	—	—	30	30
Canada	—	—	1	1	33	34
All other	23	19	9	51	67	118
Total	$42	$54	$30	$126	$201	$327
At December 31, 1983:						
United Kingdom	$—	$—	$—	$ —	$ 68	$ 68
Mexico	—	29	22	51	—	51
Japan	43	—	—	43	—	43
Canada	—	—	—	—	30	30
All other	18	23	11	52	64	116
Total	$61	$52	$33	$146	$162	$308
At December 31, 1982:						
France	$—	$—	$—	$ —	$ 70	$ 70
Mexico	—	28	32	60	—	60
United Kingdom	—	—	—	—	49	49
Canada	—	1	—	1	35	36
Japan	25	—	—	25	—	25
Germany	—	—	—	—	23	23
All other	25	23	16	64	25	89
Total	$50	$52	$48	$150	$202	$352

Note: Countries are shown separately where cross-border outstandings exceed .75% of total assets. Loans and acceptances are those to customers domiciled in foreign countries. Amounts guaranteed by third parties are considered as outstandings of such guarantors. If guaranteed by a U.S. source, the loan or acceptance is considered a domestic asset. Loans made to or deposits placed with a branch of a foreign bank are reported according to the bank's home country.

Nonperforming assets

Nonperforming assets declined $3 million in 1984. This improvement reflects a significant decline in foreign nonaccrual loans. Nonperforming assets as a percentage of loans and other real estate declined to 2.60% at year-end 1984 from 3.03% at year-end 1983.

Management continually reviews loans in order to identify situations in which a borrower may have difficulty complying with repayment terms. When there is serious doubt about a borrower's ability to meet scheduled payments, a loan in accrual status is classified as a potential problem. At December 31, 1984, $1.9 million of loans were identified as potential problems compared with $13.9 million at year-end 1983.

The following table presents information concerning nonperforming assets at year-end.

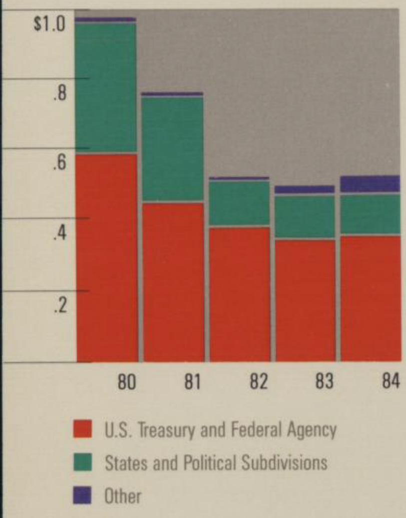
Nonperforming assets

(dollars in millions)

December 31	**1984**	1983	1982	1981	1980
Nonaccrual loans—domestic	**$13.8**	$ 9.8	$11.3	$12.7	$13.2
—foreign	**20.8**	28.6	40.7	9.6	6.9
Renegotiated loans—foreign	**—**	.9	—	—	—
Past due 90 days—domestic mortgage and installment loans	**4.7**	3.7	4.6	3.6	3.7
Total nonperforming loans	**39.3**	43.0	56.6	25.9	23.8
Other real estate	**4.8**	4.1	4.1	.3	.2
Total nonperforming assets	**$44.1**	$47.1	$60.7	$26.2	$24.0
Nonperforming assets to loans (net of unearned income) and other real estate	**2.60%**	3.03%	4.46%	1.93%	1.72%

Note: In 1982 and prior years a term of delinquency of thirty days was used for determining nonaccrual status. Included in foreign nonaccrual loans at the end of 1984 were $4.5 million of loans guaranteed or insured by the Export-Import Bank or FCIA.

Investment Securities at Year End
(billions)



Investment securities

Throughout 1984 Centran gradually shifted the mix of earning assets by reducing investments and increasing loans. As a result, average investment securities of $496 million were $55 million lower than in 1983. Average short-term investments declined by $67 million to $466 million. Details on the individual components of each of these categories can be found on page 42 of this report.

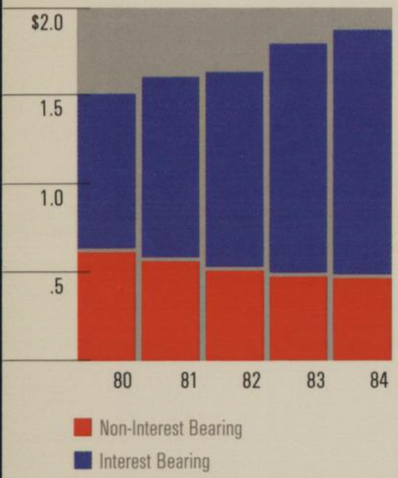
The average maturity of the portfolio, including investment securities due within one year, declined to 4.8 years at year-end 1984 from 5.8 years at December 31, 1983. The following table presents the maturity distribution of all investment securities for the last three years.

Maturity distribution of investment securities

	U.S. Treasury		Federal Agency		States and Political Subdivisions		Other		Total	
(dollars in millions)	Book Value	Average Yield	Book Value	Average Yield	Book Value	Average Yield	Book Value	Average Yield	Book Value	Average Yield
December 31, 1984:										
Within one year	**$ 118.3**	**10.38%**	**$ 3.2**	**10.03%**	**$ 3.0**	**5.02%**	**$ —**	**—%**	**$ 124.5**	**10.24%**
One to five years:										
Fixed rate	**181.4**	**11.23**	**66.6**	**10.67**	**21.5**	**4.99**	**10.9**	**11.30**	**280.4**	**10.62**
Variable rate	—	—	—	—	—	—	**9.9**	**9.75**	**9.9**	**9.75**
Five to ten years:										
Fixed rate	—	—	**4.1**	**10.86**	**41.5**	**5.72**	**1.4**	**7.19**	**47.0**	**6.20**
Variable rate	—	—	—	—	—	—	**20.0**	**9.75**	**20.0**	**9.75**
After ten years:										
Fixed rate	—	—	**92.5**	**8.24**	**54.8**	**6.15**	**3.8**	**5.27**	**151.1**	**7.41**
Variable rate	—	—	—	—	—	—	**5.0**	**9.75**	**5.0**	**9.75**
Total	**$ 299.7**	**10.90%**	**$ 166.4**	**9.31%**	**$ 120.8**	**5.77%**	**$ 51.0**	**9.78%**	**$ 637.9**	**9.41%**
Average maturity	**1.5 years**		**7.6 years**		**9.0 years**		**5.2 years**		**4.8 years**	
December 31, 1983:										
Within one year	$ 59.3	11.69%	$ 5.8	8.97%	$ 2.3	5.36%	$10.0	9.95%	$ 77.4	11.08%
One to five years:										
Fixed rate	162.2	10.63	76.3	10.65	18.1	5.07	.1	11.00	256.7	10.25
Five to ten years:										
Fixed rate	—	—	4.1	10.86	38.2	5.45	—	—	42.3	5.97
Variable rate	—	—	—	—	—	—	20.0	9.78	20.0	9.78
After ten years:										
Fixed rate	—	—	96.2	8.24	65.1	6.14	5.1	6.01	166.4	7.35
Variable rate	—	—	—	—	—	—	5.0	9.94	5.0	9.94
Total	$221.5	10.92%	$182.4	9.33%	$123.7	5.75%	$40.2	9.37%	$567.8	9.17%
Average maturity	1.7 years		7.7 years		9.8 years		7.7 years		5.8 years	
December 31, 1982:										
Total	$203.5	11.20%	$221.2	9.62%	$136.1	5.73%	$ 5.4	6.05%	$566.2	9.22%
Average maturity	2.7 years		7.2 years		10.1 years		9.9 years		6.4 years	

Note: Weighted average yields are calculated on the basis of cost and effective yields weighted for the scheduled maturity of each security. The yields on tax-exempt securities have not been adjusted to a fully taxable equivalent basis.

Average Core Deposits (billions)



Foreign Deposits have been reduced by related float.

Liquidity, deposits, and short-term borrowings

Through liquidity management, Centran monitors the availability of funds to satisfy the needs of depositors and borrowers. Liquidity is provided by maintaining assets with short-term maturities or those which can be sold readily without material loss, and by management of the types and sources of liabilities.

Centran's principal source of funds is core deposits, consisting of demand deposits and interest bearing deposits under $100,000. Average core deposits increased $77 million, or 4%, in 1984. The major source of deposit growth in 1984 was $66 million in money market deposit accounts. These accounts, which were introduced in late 1982, averaged $343 million in 1984, compared with $277 million in 1983.

The percentage of loans and long-term investment securities supported by time deposits over $100,000 and short-term borrowings (net of short-term investments) was 12% at year-end 1984, 10% at year-end 1983 and 15% at the end of 1982. A maturity distribution of time deposits of $100,000 or more is presented below.

Maturity distribution of time deposits $100,000 or more

(in millions)

December 31	1984		1983	
	Domestic	**Foreign**	Domestic	Foreign
Three months or less	**$201.8**	**$69.3**	$223.0	$59.9
Three through six months	**24.1**	**6.2**	19.9	7.5
Six through twelve months	**6.8**	**—**	2.4	—
Over twelve months	**4.6**	**—**	4.4	—
Total	**$237.3**	**$75.5**	$249.7	$67.4

The Corporation has access to a variety of sources of short-term borrowings. The details of these borrowings for the last three years are as follows:

Short-term borrowings

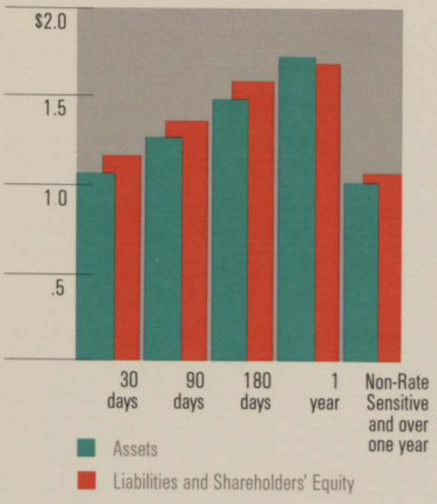
(dollars in millions)	1984		1983		1982	
	Amount	**Average rate**	Amount	Average rate	Amount	Average rate
Federal funds purchased and security repurchase agreements:						
Balance at December 31	**$393.5**	**8.18%**	$316.0	9.58%	$350.8	9.64%
Average during year	**352.3**	**9.94**	352.0	8.89	386.6	11.51
Maximum month-end balance during year	**393.5**	**—**	439.0	—	432.0	—
Other short-term borrowings:						
Balance at December 31	**$ 67.4**	**8.55%**	$ 62.0	8.79%	$ 74.9	9.49%
Average during year	**49.6**	**9.92**	57.8	8.94	48.4	9.58
Maximum month-end balance during year	**89.2**	**—**	87.2	—	68.2	—

Other short-term borrowings at December 31, 1984, consisted primarily of secured borrowings from the Treasury Department in the form of U.S. Treasury tax and loan demand notes.

The parent company's liquidity is based on the availability of long- and short-term borrowings and cash flow resulting primarily from receipts of dividends from subsidiaries. Withdrawal from the finance company business in 1982 reduced the cash needs of the parent significantly.

Centran's increased earnings and improved financial condition enabled it to re-enter the commercial paper market in 1983 as a direct issuer, thereby borrowing funds at lower rates than would otherwise be available. Outstandings at December 31, 1984 were $7 million, compared with $15 million at year-end 1983.

Cumulative Interest Rate Sensitivity at December 31, 1984
(billions)



Interest rate sensitivity

The table below shows the rate sensitivity of the Corporation at December 31, 1984. The one-year gap is defined as the difference between assets which mature or will be repriced within one year and liabilities which will mature or will be repriced within one year. Centran's one-year gap is approximately balanced at $42 million or 1.5% of total earning assets at year-end 1984. This compares with a one-year gap of $41 million at year-end 1983, representing 1.6% of earning assets. As the table shows, the gap position is also relatively balanced in the timeframes shorter than one year.

Interest rate sensitivity analysis at December 31, 1984

(dollars in millions)	1-30 Days	1-90 Days	1-180 Days	1-365 Days	Over One Year
Earning assets					
Loans (net of unearned income)	$ 790.1	$ 904.4	$ 1,015.4	$ 1,168.5	$ 527.0
Investment securities:					
Taxable	35.0	35.2	35.6	36.4	359.2
Tax-exempt	.1	.2	.9	3.0	117.8
Short-term investments:					
Federal funds sold and security resale agreements	94.4	94.4	94.4	94.4	—
Interest bearing deposits with banks	127.0	197.0	282.0	283.0	—
Trading account assets	7.0	7.0	7.0	7.0	—
Taxable securities due within one year	3.2	20.3	39.4	121.5	—
Total earning assets	1,056.8	1,258.5	1,474.7	1,713.8	1,004.0
Liabilities					
Savings and NOW deposits	10.9	12.7	15.5	21.1	402.6
Money market accounts	377.6	377.6	377.6	377.6	—
Time deposits under $100,000	76.4	222.2	418.7	503.0	154.5
Time deposits $100,000 or more	169.2	201.8	225.9	232.7	4.6
Foreign time deposits	57.2	69.3	75.5	75.5	—
Short-term borrowings	460.7	460.9	460.9	460.9	—
Long-term debt	.1	.3	.5	1.0	41.8
Total interest bearing liabilities	1,152.1	1,344.8	1,574.6	1,671.8	603.5
Demand deposits, capital and other liabilities net of other assets	—	—	—	—	442.5
Gap between assets and liabilities	$ (95.3)	$ (86.3)	$ (99.9)	$ 42.0	$ (42.0)
Gap as a percent of total earning assets	(3.5)%	(3.2)%	(3.7)%	1.5%	(1.5)%
Gap as a percent of loans and investment securities	(4.3)%	(3.9)%	(4.5)%	1.9%	(1.9)%

The following table presents a maturity distribution of selected loan categories at December 31, 1984 and 1983 and further classifies the loans according to sensitivity to changes in interest rates.

Maturity and rate sensitivity analysis of selected loan categories

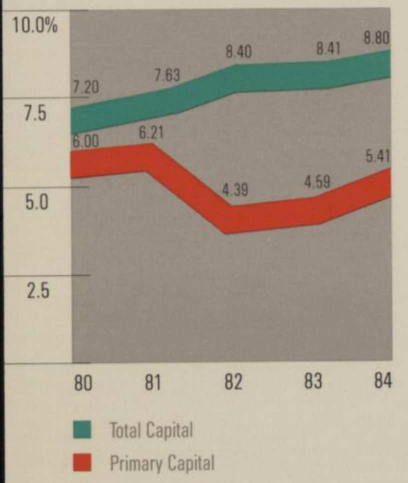
(in millions)	One year or less	Over one year through five years	Over five years	Total
At December 31, 1984:				
Commercial, financial and agricultural	$529.9	$205.2	$ 72.2	$807.3
Federal funds sold—term	24.0	—	—	24.0
Real estate—construction	15.2	30.7	—	45.9
Foreign	42.0	13.5	34.1	89.6
Total	$611.1	$249.4	$106.3	$966.8
Loans with predetermined interest rates	$178.0	$ 99.9	$ 20.7	$298.6
Loans with floating or adjustable rates	433.1	149.5	85.6	668.2
Total	$611.1	$249.4	$106.3	$966.8
At December 31, 1983:				
Commercial, financial and agricultural	$399.0	$195.1	$ 64.3	$658.4
Federal funds sold—term	80.0	—	—	80.0
Real estate—construction	15.2	15.6	—	30.8
Foreign	112.1	28.3	1.2	141.6
Total	$606.3	$239.0	$ 65.5	$910.8
Loans with predetermined interest rates	$266.5	$106.4	$ 35.2	$408.1
Loans with floating or adjustable rates	339.8	132.6	30.3	502.7
Total	$606.3	$239.0	$ 65.5	$910.8

Capital adequacy

At year-end 1984 Centran's total equity capital—common shareholders' equity and preferred stock—was $218 million, compared with $181 million at year-end 1983 and $170 million at December 31, 1982. The growth in both years was achieved through retention of earnings.

As a percent of total assets at year-end, Centran's primary capital—common shareholders' equity and the allowance for loan losses and reserves—was 5.4% in 1984, up from 4.6% in 1983. Total capital—consisting of primary capital plus redeemable preferred stock and qualifying debt—was 8.8% of year-end assets in 1984, which compares with 8.4% in 1983.

Capital Ratios at Year End



Inflation accounting information

See the notes to consolidated financial statements for detailed information regarding the effects of inflation on the Corporation.

Management's Report

The financial statements and related financial information in this Annual Report are the responsibility of management and are in accordance with generally accepted accounting principles.

Management maintains a system of internal controls which has been designed to provide reasonable assurance that the Corporation's assets are safeguarded from material loss or misuse and that transactions are properly authorized and recorded in the financial records. The system includes careful delineation of functions; proper selection and training of staff; communication of formal policies and procedures that are consistent with the highest standards of business conduct; and maintenance of an internal audit function independent of management. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the related benefits.

The Corporation's internal auditor and independent accountants have direct access to the Audit Committee of the Board of Directors. This committee, which is composed entirely of outside directors, meets periodically with management, the internal auditor, and the independent certified public accountants to ensure that the financial accounting and audit process is properly conducted.

The independent certified public accounting firm of Ernst & Whinney, whose report is presented below, has performed an independent examination to determine the fair presentation of the Corporation's financial statements.

Report of Independent Accountants

Board of Directors and Shareholders
Centran Corporation

We have examined the consolidated statement of condition of Centran Corporation and subsidiaries as of December 31, 1984 and 1983, and the related consolidated statements of operations, changes in common shareholders' equity, and changes in financial position for each of the three years in the period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Centran Corporation and subsidiaries at December 31, 1984 and 1983, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Whinney

Cleveland, Ohio
January 21, 1985

Consolidated Statement of Operations

(dollars in thousands, except per share data)

	For the year ended December 31		
Interest income:	1984	1983	1982
Loans (including fees)—taxable	$199,339	$164,699	$181,108
—tax-exempt	3,222	3,917	5,010
Investment securities —taxable	37,641	42,089	41,104
—tax-exempt	7,056	7,528	11,997
Federal funds sold and security resale agreements	8,493	10,909	14,248
Interest bearing deposits with banks	32,160	37,745	40,262
Trading account assets	584	379	379
Taxable securities due within one year	9,585	4,117	4,246
Total interest income	298,080	271,383	298,354
Interest expense:			
Deposits	153,011	138,009	156,079
Short-term borrowings	39,957	36,450	49,127
Long-term debt	3,206	4,327	4,981
Total interest expense	196,174	178,786	210,187
Net interest income	101,906	92,597	88,167
Provision for loan losses	7,528	10,897	9,426
Net interest income after provision for loan losses	94,378	81,700	78,741
Non-interest income:			
Trust income	10,839	9,102	7,826
Service charges on deposit accounts	9,539	8,355	7,643
Credit card fees	5,915	5,906	5,529
Trading account income	288	27	409
Gain on building settlement	11,740	—0—	—0—
Other income	9,717	9,133	9,388
Total non-interest income	48,038	32,523	30,795
Investment securities gains (losses)	368	82	(50,099)
Non-interest expense:			
Salaries	44,383	43,031	43,125
Employee benefits	8,627	9,351	8,519
Net occupancy	7,046	6,826	6,202
Furniture and equipment	11,166	10,639	9,537
Other expenses	28,399	25,802	29,790
Total non-interest expense	99,621	95,649	97,173
Income (loss) from continuing operations before income taxes and extraordinary credit	43,163	18,656	(37,736)
Applicable income taxes	16,043	3,595	651
Income (loss) from continuing operations before extraordinary credit	27,120	15,061	(38,387)
Gain (loss) applicable to discontinued operations	2,999	—0—	(20,289)
Income (loss) before extraordinary credit	30,119	15,061	(58,676)
Extraordinary credit—tax benefit from carryforwards	14,969	2,974	—0—
Net income (loss)	$ 45,088	$ 18,035	$ (58,676)

Consolidated Statement of Operations *(cont.)*

(dollars in thousands, except per share data)

Earnings per common share:	For the year ended December 31 1984	1983	1982
Primary			
Income (loss) from continuing operations before extraordinary credit	**$ 5.26**	$ 2.53	$ (10.69)
Gain (loss) applicable to discontinued operations	**.77**	—0—	(5.22)
Extraordinary credit—tax benefit from carryforwards	**3.85**	.76	—0—
Net income (loss)	**$ 9.88**	$ 3.29	$ (15.91)
Average shares outstanding	**3,892,295**	3,883,772	3,882,011
Assuming full dilution			
Income (loss) from continuing operations before extraordinary credit	**$ 4.30**	$ 2.41	$ N.A.
Gain (loss) applicable to discontinued operations	**.48**	—0—	N.A.
Extraordinary credit—tax benefit from carryforwards	**2.37**	.48	—0—
Net income (loss)	**$ 7.15**	$ 2.89	$ N.A.
Average shares outstanding	**6,304,094**	6,230,979	5,827,177
Dividends declared per common share	**$ .55**	$ .40	$ .40

N.A. Not applicable because the calculation produces an anti-dilutive result.
See notes to consolidated financial statements.

Consolidated Statement of Changes in Common Shareholders' Equity

(in thousands, except per share data)

	Common Stock	Surplus	Retained Earnings	Treasury Stock	Total
Balance at January 1, 1982	$32,293	$68,660	$66,842	$(4,406)	$163,389
Net loss for the year 1982			(58,676)		(58,676)
Cash dividends declared:					
Series A cumulative preferred stock, $6.21 per share			(3,104)		(3,104)
Common stock, $.40 per share			(1,553)		(1,553)
Issuance of 500 common shares under stock option plan		1	(6)	14	9
Transfer to retained earnings of amounts previously transferred to surplus		(25,000)	25,000		—0—
Balance at December 31, 1982	32,293	43,661	28,503	(4,392)	100,065
Net income for the year 1983			18,035		18,035
Cash dividends declared:					
Series A cumulative preferred stock, $10.50 per share			(5,250)		(5,250)
Common stock, $.40 per share			(1,554)		(1,554)
Issuance of 5,000 common shares under stock option plan		5	(58)	142	89
Balance at December 31, 1983	32,293	43,666	39,676	(4,250)	111,385
Net income for the year 1984			**45,088**		**45,088**
Cash dividends declared:					
Series A cumulative preferred stock, $13.30 per share			**(6,650)**		**(6,650)**
Common stock, $.55 per share			**(2,141)**		**(2,141)**
Issuance of 8,475 common shares under stock option plans		**7**	**(96)**	**241**	**152**
Balance at December 31, 1984	**$32,293**	**$43,673**	**$75,877**	**$(4,009)**	**$147,834**

See notes to consolidated financial statements.

Consolidated Statement of Condition

(dollars in thousands)

	December 31	
Assets	1984	1983
Earning assets:		
Loans (net of unearned income of $18,837 and $15,399):		
Commercial, financial and agricultural	$ 763,746	$ 612,947
Tax-exempt	43,567	45,454
Federal funds sold—term	24,000	80,000
Real estate—construction	45,872	30,824
Real estate—mortgage	418,958	365,458
Installment loans to individuals	309,701	273,320
Foreign	89,613	141,564
Total loans	1,695,457	1,549,567
Less allowance for loan losses	20,810	17,832
Net loans	1,674,647	1,531,735
Investment securities (market value $472,310 and $437,954):		
Taxable securities due after one year	395,556	368,911
Tax-exempt securities	120,836	123,724
Total investment securities	516,392	492,635
Short-term investments:		
Federal funds sold and security resale agreements	94,441	48,546
Interest bearing deposits with banks	283,001	363,745
Trading account assets	6,974	9,934
Taxable securities due within one year (market value $122,487 and $75,422)	121,499	75,142
Total short-term investments	505,915	497,367
Total earning assets	2,696,954	2,521,737
Cash and due from banks	230,343	193,936
Premises and equipment	57,640	65,022
Due from customers on acceptances	55,680	34,773
Other assets	74,975	68,166
Total assets	$3,115,592	$2,883,634
Liabilities		
Deposits in domestic offices:		
Demand deposits	$ 533,870	$ 519,505
NOW deposits	137,862	126,181
Savings deposits	285,848	314,311
Money market accounts	377,599	319,635
Time deposits under $100,000	657,488	612,124
Time deposits $100,000 or more	237,288	249,739
Deposits in foreign offices:		
Demand deposits	9,408	9,433
Time deposits $100,000 or more	75,547	67,351
Total deposits	2,314,910	2,218,279
Federal funds purchased and security repurchase agreements	393,467	316,041
Other short-term borrowings	67,412	61,956
Acceptances outstanding	55,680	34,773
Other liabilities	23,523	25,091
Long-term debt	42,766	46,109
Total liabilities	2,897,758	2,702,249
Redeemable preferred stock:		
Series A cumulative preferred stock (without par value, redemption value $140 per share) Authorized and outstanding—500,000 shares	70,000	70,000
Preferred stock (without par value): Authorized—4,500,000 shares in 1984		
Common shareholders' equity:		
Common Stock ($8 Par Value) Authorized—15,000,000 shares in 1984 and 7,500,000 shares in 1983; Issued—4,036,639 shares	32,293	32,293
Surplus	43,673	43,666
Retained earnings	75,877	39,676
Common stock in treasury, at cost (141,115 shares and 149,590 shares)	(4,009)	(4,250)
Total common shareholders' equity	147,834	111,385
Total liabilities and shareholders' equity	$3,115,592	$2,883,634

See notes to consolidated financial statements.

Consolidated Statement of Changes in Financial Position

(in thousands)

	For the year ended December 31					
	1984		1983		1982	
	Funds Provided From	**Funds Used for**	Funds Provided From	Funds Used for	Funds Provided From	Funds Used for
Funds from (used for) continuing operations:						
Income (loss) from continuing operations before extraordinary credit	$ 27,120		$ 15,061		$ (38,387)	
Items not requiring funds:						
Provision for loan losses	7,528		10,897		9,426	
Provision for depreciation and amortization	5,332		5,317		5,094	
Amortization of investment security premiums	2,684		3,356		3,308	
Funds from (used for) continuing operations	42,664		34,631		(20,559)	
Funds used for discontinued operations	(49)		(380)		(16,246)	
Extraordinary credit—tax benefit from carryforwards	14,969		2,974			
Cash dividends declared		$ 8,791		$ 6,804		$ 4,657
Redeemable preferred stock issued					70,000	
Issuance of shares under stock option plans	152		89		9	
Equity and operations	57,736	8,791	37,314	6,804	33,204	4,657
Interest bearing deposits	82,291		169,632			23,520
Federal funds purchased and security repurchase agreements	77,426			34,741		68,104
Other short-term borrowings	5,456			12,985	14,482	
Long-term debt		3,343		14,320		7,744
Interest bearing liabilities	165,173	3,343	169,632	62,046	14,482	99,368
Net loans		150,440		204,509		4,681
Taxable investment securities due after one year		27,908	9,521		66,142	
Tax-exempt investment securities	2,816		12,384		172,830	
Federal funds sold and security resale agreements		45,895	11,849		117,455	
Interest bearing deposits with banks	80,745		22,038			242,618
Trading account assets	2,960		13,677			16,578
Taxable investment securities due within one year		46,357		25,921		31,624
Earning assets	86,521	270,600	69,469	230,430	356,427	295,501
Cash and due from banks		36,407	29,844		40,931	
Premises and equipment, net	2,050			2,830		6,416
Demand deposits	14,340		12,515			48,038
Other, net		6,679		16,664	8,936	
Other	16,390	43,086	42,359	19,494	49,867	54,454
Total	$325,820	$325,820	$318,774	$318,774	$453,980	$453,980

See notes to consolidated financial statements.

Notes to consolidated financial statements

Summary of significant accounting and reporting policies

The accounting and reporting policies of Centran Corporation and its subsidiaries conform with generally accepted accounting principles.

Principles of consolidation. The consolidated financial statements include the accounts of Centran Corporation and all subsidiaries. Significant intercompany accounts and transactions have been eliminated. Investments in subsidiaries are accounted for by the equity method of accounting. The excess of cost over equity in purchased subsidiaries is included in other assets and is amortized on a straight-line basis over a period of forty years.

Reclassifications. Certain reclassifications have been made to amounts previously reported to conform with the current financial statement presentations.

Trading account assets. Trading account assets are those investments acquired for trading purposes. The liability incurred on short-sale transactions is included in short-term borrowings.

Trading account assets and liabilities are carried at market value. Gains and losses on sales and adjustments to market value are included in trading account income.

Investment securities. Investment securities are carried at cost, adjusted for amortization of premiums and accretion of discounts using the straight-line method. Taxable investment securities due within one year are classified as short-term investments. The adjusted cost of the specific certificate sold is used to compute gains and losses on the sale of investment securities.

Loans. Loans are stated at the principal amount outstanding, net of unearned income. Interest income on loans is primarily calculated by using the simple interest method based on principal amounts outstanding. Interest income on discounted installment loans is computed using the sum-of-the-months-digits method.

Loans, other than consumer installment and residential mortgage loans, are transferred to nonaccrual status when any payment of principal or interest is ninety or more days past due, when any portion of the loan has been charged off or when other factors indicate that reasonable doubt exists as to the collectibility of any portion of principal or interest. Also placed in nonaccrual status are certain mortgage loans in foreclosure. Delinquent installment loans, which include credit card loans, are charged off based on regulatory guidelines and are not placed in nonaccrual status.

When a loan is transferred to nonaccrual status, the accrual of interest is discontinued and accrued but unpaid interest on the loan is reversed and charged against interest income of the current period. Interest income on loans in nonaccrual status is recognized on a cash basis.

Assets acquired through loan foreclosures and other workout situations are recorded at the lower of cost or fair value and included in other assets. Any charge offs required at the time of acquisition are charged to the allowance for loan losses. Any subsequent write-downs of these properties are included in other expense.

Allowance for loan losses. The allowance for loan losses is a valuation reserve established through a provision for loan losses charged to expense. The allowance is the amount which, in the opinion of management, is necessary to absorb potential losses in the loan portfolio. Management's determination of the adequacy of the reserve is based on evaluations of the collectibility of loans outstanding taking into consideration anticipated changes in the nature and amount of loans outstanding, prior loan loss experience, overall loan quality, current economic conditions and other pertinent factors. Loans which are deemed uncollectible are charged off and deducted from the reserve and recoveries on loans previously charged off are added to the reserve.

Premises and equipment. Premises and equipment, including leasehold improvements, are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed under straight-line methods at rates which will absorb the cost over the estimated useful life of the asset or the lease term.

Foreign exchange. Foreign exchange trading positions are carried at market value. Gains and losses on sales and adjustments to market value are included in other income.

Income taxes. Centran Corporation and its subsidiaries, except for an insurance company subsidiary, file a consolidated Federal income tax return. For income tax purposes, certain items of income and expense are reported in taxable years other than those in which such amounts are reported in the financial statements. Appropriate provisions are made in the financial statements for any deferred taxes that may arise in recognition of these timing differences. Investment tax credits are accounted for by the flow-through method.

Revenue recognition. The accrual basis of accounting is followed, except for trust income and certain other income items which are reported on a cash basis consistent with industry practice. Reporting such income on an accrual basis would not materially affect reported net income.

Earnings per common share. Primary earnings per common share are computed based on the weighted average number of common shares outstanding during each year and give effect to the payment of dividends on preferred stock.

Earnings per common share assuming full dilution are computed based on common and common equivalent shares outstanding during each year by giving consideration to (1) the weighted average number of common shares outstanding, (2) the weighted average number of shares issuable assuming exercise of the outstanding warrant, and (3) the effect of outstanding stock options.

Discontinued operations

During the second quarter of 1984, the Corporation recognized a gain of $2,999,000 from discontinued operations. This represented the remainder of a reserve for losses on discontinued operations of $19,500,000 established in March of 1982 to provide for operating losses and losses to be incurred in the disposal of Centran's finance company subsidiaries. A management review of the remaining discontinued operations during the second quarter of 1984 disclosed that the reserve for discontinued operations was no longer needed.

Amounts charged to this reserve for losses on discontinued operations included operating losses of $49,000 in 1984 and $380,000 in 1983 and a loss of $12,700,000 on the sale of assets together with an operating loss of $3,372,000 for the last nine months of 1982. Net assets of discontinued operations were $843,000 and $2,326,000 at December 31, 1984 and 1983, respectively.

Management believes that the allowance for loan losses of the discontinued operations, amounting to $1,067,000 at December 31, 1984, is adequate to cover any future losses. Loans (net of unearned income) amounted to $1,621,000 at December 31, 1984 and $2,543,000 at December 31, 1983.

Cash and due from banks

Under the provisions of the Federal Reserve Act depository institutions are required to maintain certain average balances in the form of cash or in non-interest bearing balances maintained with a Federal Reserve Bank. Average reserve balances of $52,837,000 in 1984 and $56,629,000 in 1983 were maintained in fulfillment of these requirements.

Investment securities

A summary of the book values and approximate market values of total investment securities at December 31, 1984 and 1983 follows:

(in thousands)

	1984		1983	
	Book value	**Market value**	Book value	Market value
U.S. Treasury securities	**$299,676**	**$303,921**	$221,476	$221,703
Federal agency obligations	**166,340**	**144,745**	182,412	156,206
Obligations of states and political subdivisions	**120,836**	**94,967**	123,724	94,966
Other securities	**51,039**	**51,164**	40,165	40,501
Total investment securities	**$637,891**	**$594,797**	$567,777	$513,376

Pledged assets

Corporate assets, primarily investment securities with a book value of approximately $518,770,000 at December 31, 1984, were pledged to secure public and trust deposits, to secure securities sold under agreements to repurchase and for other purposes required or permitted by law.

Nonaccrual and renegotiated loans

The following table sets forth loans in nonaccrual status and renegotiated loans at December 31, 1984 and 1983.

(in thousands)

	1984	1983
Nonaccrual loans—Domestic	**$13,832**	$ 9,823
—Foreign	**20,761**	28,565
Renegotiated loans—Foreign	**—0—**	884
Total nonaccrual and renegotiated loans	**$34,593**	$39,272

The effect of nonaccrual and renegotiated loans on interest income for the three years ended December 31, 1984 is presented below.

(in thousands)

	1984	1983	1982
Interest income that would have been recorded under original terms—Domestic	**$2,186**	$1,435	$1,702
—Foreign	**2,858**	3,615	5,686
Less interest income recorded—Domestic	**754**	710	975
—Foreign	**1,563**	1,519	2,122
Interest income not recorded on nonaccrual and renegotiated loans	**$2,727**	$2,821	$4,291

In 1983, the Corporation changed the term of delinquency for determining nonaccrual status from thirty days to ninety days. Had the ninety day term of delinquency been in effect during 1982, interest income for the year 1982 would have been increased by $405,000.

At December 31, 1984, commitments to lend additional funds to borrowers with loans in nonaccrual status were not significant.

Allowance for loan losses

A summary of changes in the allowance for loan losses for the years 1984, 1983, and 1982 follows:

(in thousands)

	1984	1983	1982
Balance at beginning of year	**$17,832**	$17,656	$17,041
Recoveries on loans charged off	**3,963**	5,642	3,417
Loans charged off	**(8,513)**	(16,363)	(12,228)
Net loans charged off	**(4,550)**	(10,721)	(8,811)
Provision for loan losses	**7,528**	10,897	9,426
Balance at end of year	**$20,810**	$17,832	$17,656

Premises and equipment

Major classes of premises and equipment at December 31, 1984 and 1983 follow:

(in thousands)

	1984	1983
Land	$ 8,733	$ 8,793
Buildings	49,671	57,611
Leasehold improvements	4,874	4,433
Furniture and equipment	37,099	33,507
	100,377	104,344
Accumulated depreciation and amortization	42,737	39,322
Total	$ 57,640	$ 65,022

During the third quarter of 1984, Central National Bank of Cleveland received $19,000,000 in settlement of litigation regarding repairs to the brick curtain wall of its main office building and accompanying garage. As a consequence of the settlement, premises and equipment were reduced by $7,260,000, which represents the recovery of the balance of capitalized repair costs, and a gain of $11,740,000 was recorded as non-interest income.

Depreciation and amortization expense related to premises and equipment was $5,332,000, $5,317,000 and $5,094,000 in 1984, 1983, and 1982, respectively.

Rental expense for premises and equipment for the years 1984, 1983 and 1982 amounted to $4,977,000, $4,814,000, and $3,931,000, respectively. Certain properties are leased under standard real estate leases which include renewal options and escalation clauses. Equipment has also been rented under both long- and short-term leases. The minimum future rental payments under noncancelable capital and operating leases are as follows: 1985—$2,672,000; 1986—$2,058,000; 1987—$1,577,000; 1988—$1,187,000; 1989—$752,000; and subsequent years $2,781,000.

Long-term debt

The following is a summary of long-term debt at December 31, 1984 and 1983:

(in thousands)

	1984	1983
7.85% Debentures due May 15, 1997, with annual sinking fund payments of $900,000	$19,900	$20,418
4.75% Capital Notes, due December 1, 1989	19,745	20,000
Other long-term debt	3,121	5,691
Total long-term debt	$42,766	$46,109

Centran Corporation satisfied sinking fund requirements of $900,000 each in 1984, 1983, and 1982 by retiring debentures previously acquired by the Corporation. At December 31, 1984, $2,400,000 of debentures previously acquired but not retired remained available to satisfy future sinking fund requirements.

The 4.75% Capital Notes were issued by Central National Bank and are subordinated to the claims of depositors and other creditors of the Bank.

Other long-term debt consists of capital notes, capitalized lease obligations, Export-Import Bank borrowings and other debt with a weighted average interest rate of 15.28% at December 31, 1984.

Maturities and sinking fund requirements, net of debentures previously acquired but not retired, for the years 1985 through 1989 are $962,000, $631,000, $635,000, $1,080,000 and $20,676,000, respectively.

Unused lines of credit

On June 15, 1984, Centran canceled its $30,000,000 long-term Revolving Credit Agreement and replaced it with fee paid unsecured lines of credit aggregating $14,000,000. Borrowings under the lines can be at base rates or at money market rates of interest. At December 31, 1984, the Corporation had no borrowings outstanding under the lines of credit. The lines are used primarily to support commercial paper issued by Centran Corporation, which amounted to $6,724,000 at December 31, 1984.

Capital stock

On May 2, 1984, Centran shareholders approved an increase in the number of authorized shares of common stock from 7,500,000 shares to 15,000,000 shares. In addition, the number of authorized shares of serial preferred stock was increased from 500,000 shares to 5,000,000 shares.

Redeemable preferred stock

Pursuant to a Stock and Warrant Purchase Agreement between Centran Corporation and Marine Midland Banks, Inc., Marine invested $70,000,000 in Centran in 1982 in exchange for 500,000 shares of cumulative, non-voting, redeemable Preferred Stock and a warrant to purchase 2,333,333 shares of Centran Common Stock. The Preferred Stock was designated by the Board of Directors as Series A Cumulative Preferred Stock and has a liquidation value of $140 per share. The annual dividend rate in effect as of March 1 each year was 6% in 1982, 8% in 1983 and 10% in 1984 and will escalate to 11% in 1985 and 12% in 1986 and subsequent years. Dividends are payable quarterly and are cumulative.

The Preferred Stock does not have general voting rights, but if Centran does not pay or provide for payment of dividends on the Preferred Stock for six quarterly dividend periods, the holders of the Preferred Stock will be entitled, subject to applicable regulatory restrictions, to elect two directors of the Corporation.

Centran may redeem all or a portion of the Preferred Stock at any time, at its option, for an initial premium of 6% of the liquidation value, decreasing to 4% in the fifth year, to 2% in the tenth year, and to zero on and after March 1, 1997. The Preferred Stock is required to be redeemed by Centran for $140 per share in ten equal annual installments commencing March 1, 1993. Under the Agreement, the Corporation is required to repurchase the shares at 120% of liquidation value upon the occurrence of certain specified events if Marine holds the warrant at the time of such occurrence.

See footnote regarding Society Corporation merger.

Warrants

The warrant to purchase 2,333,333 shares of Centran Common Stock is exercisable at an initial price of $30 per share. The exercise price may be paid in cash or by exchange of Preferred Stock at its liquidation value. Under certain circumstances Centran is obligated to issue to Marine one or more additional warrants to purchase shares of Common Stock in order to maintain Marine's relative potential percentage interest in Centran. The $30 initial exercise price and the number of shares are subject to adjustment to prevent dilution of Marine's interest in the event of the occurrence of stock dividends, stock splits, reclassifications, or similar transactions relating to Centran's Common Stock. In addition, the $30 exercise price will adjust upward beginning in 1987 based on increases in Centran's shareholders' equity.

The warrants expire on the earliest of (a) March 2, 2002, (b) the fifth anniversary of any transfer of the warrants by Marine to a non-affiliate, or (c) the fifth anniversary of a change in banking laws to allow the lawful exercise of the warrants. On January 1, 1985, the warrants become transferable. Private sales are subject to the right of first refusal by Centran.

See footnote regarding Society Corporation merger.

Stock option plans

On May 2, 1984, shareholders approved the Centran Corporation 1984 Stock Option Plan, providing 200,000 shares of Centran Common Stock for issuance to key officers of the Corporation and its subsidiaries in the form of non-qualified or incentive stock options. Options may be granted to purchase shares at an option price equal to their fair market value at the date of grant. The options become exercisable to the extent of 50% in the first year with an additional 25% becoming exercisable in each of the two following years. The options may also become exercisable upon the occurrence of certain events, including a merger of Centran with another institution. They will expire, if not exercised, ten years from the date of grant.

On June 18, 1984, non-qualified and incentive stock options covering 96,000 shares were granted at an option price of $20.50 per share. At December 31, 1984, a total of 104,000 common shares were available for the granting of future options. The following table summarizes information on stock options outstanding during 1984 and 1983, including non-qualified and incentive stock options granted under Centran's 1973 Stock Option Plan which terminated on February 7, 1983.

	1984		1983	
	Shares	**Option Price Range**	Shares	Option Price Range
Options outstanding beginning of year	**127,150**	**$16.63-23.50**	22,150	$17.75-23.50
Options granted	**96,000**	**20.50**	118,500	16.63
Options exercised	**(8,475)**	**16.63-17.75**	(5,000)	16.63-17.75
Options lapsed	**(750)**	**16.63**	(8,500)	16.63-17.75
Options outstanding end of year	**213,925**	**16.63-23.50**	127,150	16.63-23.50
Options exercisable end of year	**139,550**	**$16.63-23.50**	72,900	$16.63-23.50

Restrictions on dividends, loans or advances

Centran's Preferred Stock and 7.85% Debenture agreements contain restrictions on the payment of dividends by the Corporation. Under the most restrictive terms, $31,097,000 of retained earnings were unrestricted as to the payment of cash dividends at December 31, 1984.

At December 31, 1984, consolidated retained earnings of Centran Corporation included $90,833,000 of undistributed income of its subsidiary banks. Dividends paid by Centran's subsidiary banks to Centran are subject to certain restrictions as set forth in national and state banking laws and regulations. The Corporation's banking subsidiaries could, without regulatory approval, declare aggregate dividends in 1985 of $51,064,000 from undistributed earnings plus an additional amount equal to their net profits for 1985 up to the date of any such dividend declaration.

Loans or advances from banking subsidiaries to the parent are required to be collateralized and are limited by law.

Commitments and contingent liabilities

The financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business, including commitments to extend credit, letters of credit, futures contracts and guarantees. Commitments under standby letters of credit issued by subsidiary banks amounted to $59,626,000 at December 31, 1984. Management does not anticipate any material losses as a result of these transactions.

Pending litigation and claims

In the ordinary course of business, the Corporation and its subsidiaries are subject to legal actions which involve claims for substantial monetary relief. Based on information presently available to management and its counsel, it is management's opinion that any legal and financial responsibility arising from such claims will not have a material effect on the financial position of the Corporation.

Employee benefit plans

Centran's subsidiaries have noncontributory pension plans covering substantially all employees. The Corporation's policy is to fund pension expense accrued each year. The total pension expense was $81,000, $1,456,000, and $1,380,000 in 1984, 1983 and 1982, respectively. The change to a preferable actuarial cost method reduced pension expense by $910,000 in 1984. In addition, changes in certain actuarial assumptions reduced pension expense by $465,000 for the year.

A comparison of accumulated plan benefits, as estimated by consulting actuaries, and plan net assets available for benefits is presented below. The funded percentage is the net assets available for benefits expressed as a percentage of the actuarial present value of accumulated plan benefits.

(dollars in thousands)

January 1	1984	1983
Actuarial present value of accumulated plan benefits:		
Vested	$24,095	$24,538
Nonvested	2,403	2,647
Total	$26,498	$27,185
Net assets available for benefits	$46,560	$41,175
Funded percentage	175.71%	151.46%

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 9.0% in 1984 and 8.0% in 1983. An assumed investment return of 10.5% was used in both years for a dedicated portfolio of investment securities for inactive participants receiving benefits. Changes in actuarial assumptions resulted in a decrease in the actuarial present value of accumulated plan benefits of $1,839,000 in 1984.

Certain health care and life insurance benefits are provided for retired employees. Those benefits and similar benefits for active employees are provided through insurance companies and self-insured medical plans. The cost for providing services to all employees was $3,181,000 for 1984. The cost of providing those benefits for 616 retirees is not separable from the cost of providing benefits for the 2,378 active employees.

Income taxes

The provision for income taxes applicable to continuing operations is summarized in the following table.

(in thousands)

	1984	1983	1982
Current:			
Federal income taxes (credit)	$ 738	$ (6)	$ (72)
Foreign income taxes	336	627	723
Total current	1,074	621	651
Charge in lieu of Federal income taxes	14,969	2,974	—0—
Total provision	$16,043	$3,595	$651

As of December 31, 1984, the Corporation had total tax loss carryforwards of approximately $48,300,000 for income tax purposes (substantially the same for financial reporting purposes). Tax loss carryforwards of bank subsidiaries of $37,000,000 will expire in 1987. The remaining tax loss carryforwards of $11,300,000 will expire in 1997. At December 31, 1984, Centran had total investment tax credit carryforwards of approximately $3,800,000 that will expire beginning in 1989.

During 1984 and 1983, a portion of the loss carryforwards was utilized for book purposes. The tax benefit arising from the utilization of the loss carryforwards for financial reporting purposes is included in the statement of operations as an extraordinary credit.

The sources of timing differences relating to continuing operations and resulting in deferred income taxes are presented in the accompanying table for the years ended December 31, 1984, 1983, and 1982.

(in thousands)

	1984	1983	1982
Provision for loan losses	$(1,329)	$ (69)	$ (309)
Cash basis tax reporting	(776)	1,800	(141)
Other	71	(54)	4
	(2,034)	1,677	(446)
Elimination of current period deferred taxes due to net operating loss carryforwards	2,034	(1,677)	446
Total deferred taxes	$—0—	$—0—	$—0—

The Federal income tax provision differs from the Federal income tax computed at the statutory rate. A reconciliation of this difference relating to continuing operations for each of the three years ended December 31, 1984 follows:

(in thousands)

	1984	1983	1982
Federal income taxes (credit) at statutory rate of 46%	$19,855	$8,582	$(17,359)
Increase (decrease) resulting from:			
Tax-exempt dividend and interest income	(4,696)	(5,248)	(7,789)
Foreign income taxes, net of U.S. tax benefit in 1984 and 1983	181	338	723
Other (net)	703	(77)	(20)
Total	16,043	3,595	(24,445)
Tax benefit relating to tax loss and credit carryforwards not recorded in financial statements	—0—	—0—	25,096
Total provision	$16,043	$3,595	$ 651

Non-interest expense

Included in the other expenses category of non-interest expense were stationery and printing expenses of $3,241,000, $3,364,000, and $3,384,000 for the years 1984, 1983, and 1982, respectively.

Taxes, other than Federal income taxes, are also included in other expenses. Such taxes were $917,000 in 1984, $57,000 (credit) in 1983, and $3,471,000 in 1982.

Foreign activities

The Corporation provides international banking services to its customers primarily through Central National Bank's International Banking Division, Edge Act subsidiary in New York City, offshore branch in Nassau, Bahamas, and foreign representative office in Mexico City. Services provided include commercial lending, financing of export-import trade, collections, foreign exchange trading and the placement of interest bearing Eurodollar deposits in foreign banks or foreign branches of U.S. Banks.

Foreign activities include transactions with customers domiciled outside of the United States and U.S. branches of foreign banks.

Because of the integrated nature of the Corporation's business it is not possible to determine precisely the operating results attributable to foreign activities. Therefore, certain assumptions and estimates are made in allocating income and expenses to foreign operations. An allocation of the cost of domestic funds supporting foreign assets is made based on the average cost of selected short-term funds. Administrative, overhead and other expenses are allocated through the use of management estimates. A portion of the allowance for loan losses is allocated to foreign loans. Income taxes are actual foreign income taxes paid.

The following table presents a geographic distribution of the major components of foreign assets (net of allowance for loan losses) at December 31, 1984, 1983, and 1982 and total revenue, income before taxes, and net income for the years ended December 31, 1984, 1983, and 1982.

Foreign activities

(in thousands)

		Total Loans	Interest Bearing Deposits With Banks	Total Assets	Total Revenue*	Income (Loss) Before Taxes	Net Income (Loss)
1984	Europe	$ 1,014	$ 133,000	$ 134,126	$ 15,918	$ 1,509	$ 1,509
	Latin America and Caribbean (a)	79,751	—0—	77,651	12,762	(2,061)	(2,397)
	All Other	8,848	68,000	76,731	7,009	473	473
	Total	$ 89,613	$ 201,000	$ 288,508	$ 35,689	$ (79)	$ (415)
1983	Europe	$ 7,441	$ 75,500	$ 83,710	$14,364	$1,158	$ 1,158
	Latin America and Caribbean (a)	92,039	—0—	92,632	13,970	(2,310)	(2,936)
	All Other	42,084	42,000	106,988	9,644	488	488
	Total	$141,564	$117,500	$283,330	$37,978	$ (664)	$(1,290)
1982	Europe	$ 12,743	$179,000	$196,863	$20,811	$2,744	$ 2,684
	Latin America and Caribbean (a)	114,207	58,675	178,787	23,139	(2,304)	(2,905)
	All Other	22,377	60,000	84,580	13,819	1,111	1,049
	Total	$149,327	$297,675	$460,230	$57,769	$1,551	$ 828

* *Includes interest income and non-interest income.*

(a) *Includes amounts attributable to Mexican operations in 1984, 1983, and 1982 as follows: total assets $46,871, $55,724, and $65,010; total revenue $7,490, $8,179, and $6,955; loss before taxes $910, $1,826, and $4,109, including provision for loan losses of $1,891, $3,183, and $3,000; and net loss $1,246, $2,452, and $4,428.*

Parent company financial statements

Condensed financial statements for Centran Corporation (parent company only) are as follows:

Condensed statement of condition

(in thousands)

December 31	1984	1983
Assets		
Cash and short-term investments	$ 2,216	$ 7,233
Dividends receivable from subsidiaries	3,663	1,310
Investment in subsidiaries	236,228	207,854
Investment in discontinued operations	843	2,326
Unamortized goodwill	3,348	3,442
Other assets	2,593	2,916
Total assets	$248,891	$225,081
Liabilities		
Commercial paper borrowings	$ 6,724	$ 15,227
Reserve for loss on disposal of discontinued operations	—0—	3,048
Other liabilities	3,168	3,541
Long-term debt	21,165	21,880
Total liabilities	31,057	43,696
Redeemable preferred stock	70,000	70,000
Common shareholders' equity	147,834	111,385
Total liabilities and shareholders' equity	$248,891	$225,081

Condensed statement of operations

(in thousands)

For the year ended December 31	1984	1983	1982
Income			
Dividends from bank subsidiaries	$13,365	$ 8,366	$ 5,539
Interest on advances to discontinued operations	—0—	410	11,644
Interest on investments and other income	1,681	1,696	1,946
Total income	15,046	10,472	19,129
Expenses			
Interest on short-term borrowings	916	852	10,866
Interest on long-term debt	1,967	2,485	2,594
Non-interest expenses	1,497	1,736	2,002
Total expenses	4,380	5,073	15,462
Income from continuing operations before income taxes, equity in undistributed income (loss) of subsidiaries, and extraordinary credit	10,666	5,399	3,667
Applicable income tax benefit	547	1,312	1,228
Equity in undistributed income (loss) of subsidiaries	28,374	10,167	(43,282)
Income (loss) from continuing operations before extraordinary credit	39,587	16,878	(38,387)
Discontinued operations:			
Equity in undistributed loss from operations	—0—	—0—	(789)
Gain (loss) on disposal	2,999	—0—	(19,500)
Gain (loss) applicable to discontinued operations	2,999	—0—	(20,289)
Income (loss) before extraordinary credit	42,586	16,878	(58,676)
Extraordinary credit—tax benefit from carryforwards	2,502	1,157	—0—
Net income (loss)	$45,088	$18,035	$(58,676)

Condensed statement of changes in financial position

(in thousands)

For the year ended December 31	1984		1983		1982	
	Funds Provided From	Funds Used For	Funds Provided From	Funds Used For	Funds Provided From	Funds Used For
Funds from continuing operations before extraordinary credit	$11,557		$ 7,079		$ 5,178	
Funds used for discontinued operations	(49)		(380)		(16,246)	
Extraordinary credit—tax benefit from carryforwards	2,502		1,157			
Cash dividends declared		$ 8,791		$ 6,804		$ 4,657
Redeemable preferred stock issued					70,000	
Issuance of common shares under stock option plans	152		89		9	
Equity and operations	14,162	8,791	7,945	6,804	58,941	4,657
Commercial paper borrowings		8,503	15,227			
Short-term revolving credit				4,000		119,500
Long-term debt		715		5,947		6,413
Interest bearing liabilities		9,218	15,227	9,947		125,913
Short-term investments	4,959			5,884	6,975	
Investment in bank subsidiaries				6		55,104
Investment in and advances to discontinued operations	1,483		1,108		122,741	
Earning assets	6,442		1,108	5,890	129,716	55,104
Cash and due from banks	58		18		309	
Other, net		2,653		1,657		3,292
Total	$20,662	$20,662	$24,298	$24,298	$188,966	$188,966

Society Corporation merger

On September 24, 1984, Centran Corporation and Society Corporation entered into an agreement in principle for the merger of the two companies. On January 16, 1985, a definitive merger agreement was executed. The merger is subject to approval by shareholders of both companies and receipt of appropriate regulatory approvals.

In the proposed transaction, 53% of outstanding Centran common stock will be exchanged for Society common shares at the exchange ratio of 1.07 Society Corporation common shares for each share of Centran common stock and 47% of the outstanding Centran common stock will be exchanged for $36 in cash.

Under the terms of a concurrent agreement, Society agreed with Marine Midland Banks, Inc., as part of the merger with Centran, to exchange $26 million in cash and $50 million in nonvoting adjustable rate senior preferred stock for $70 million of Centran's Series A Cumulative Preferred Stock held by Marine Midland. Marine will also receive a 15-year warrant to purchase 1,259,687 Society Corporation common shares when permitted by law (approximately a 10% interest based on the number of shares to be outstanding following the Centran/Society merger) at an exercise price of $40 in cash per share. Marine Midland will receive such warrant in exchange for its existing warrant to purchase 2,333,333 shares of Centran common stock (a 37.5% interest) when permitted by law.

Selected quarterly financial data (unaudited)

The following is a summary of quarterly results of consolidated operations for the years ended December 31.

(in thousands, except per share data)

	1984				1983			
	Fourth Quarter	**Third Quarter(a)**	**Second Quarter(b)**	**First Quarter**	Fourth Quarter	Third Quarter(c)	Second Quarter	First Quarter
Interest income	**$77,125**	**$77,334**	**$73,269**	**$70,352**	$69,927	$69,101	$67,417	$64,938
Interest expense	**49,906**	**51,389**	**48,044**	**46,835**	46,313	46,549	43,636	42,288
Net interest income	**27,219**	**25,945**	**25,225**	**23,517**	23,614	22,552	23,781	22,650
Provision for loan losses	**2,410**	**1,500**	**1,514**	**2,104**	2,528	3,514	2,640	2,215
Non-interest income	**9,298**	**20,787**	**9,012**	**8,941**	8,362	8,319	7,991	7,851
Investment securities gains (losses)	**105**	**18**	**104**	**141**	32	45	(85)	90
Non-interest expense	**25,983**	**24,643**	**23,986**	**25,009**	24,232	22,905	24,477	24,035
Income from continuing operations before extraordinary credit	**5,517**	**11,738**	**5,774**	**4,091**	4,016	3,640	3,707	3,698
Gain applicable to discontinued operations	**—0—**	**—0—**	**2,999**	**—0—**	—0—	—0—	—0—	—0—
Extraordinary credit—tax benefit from carryforwards	**2,637**	**8,248**	**2,792**	**1,292**	1,154	635	708	477
Net income	**8,154**	**19,986**	**11,565**	**5,383**	5,170	4,275	4,415	4,175
Earnings per common share:								
Primary								
Income from continuing operations before extraordinary credit	**$ .97**	**$ 2.56**	**$ 1.04**	**$ .69**	$ .67	$ .58	$ .60	$ .68
Gain applicable to discontinued operations	**—0—**	**—0—**	**.77**	**—0—**	—0—	—0—	—0—	—0—
Extraordinary credit—tax benefit from carryforwards	**.68**	**2.12**	**.72**	**.33**	.30	.16	.17	.13
Net Income	**$ 1.65**	**$ 4.68**	**$ 2.53**	**$ 1.02**	$ .97	$ .74	$ .77	$ .81
Assuming full dilution								
Income from continuing operations before extraordinary credit	**$ .87**	**$ 1.85**	**$ .93**	**$ .65**	$ .64	$ .58	$ .60	$ .59
Gain applicable to discontinued operations	**—0—**	**—0—**	**.48**	**—0—**	—0—	—0—	—0—	—0—
Extraordinary credit—tax benefit from carryforwards	**.41**	**1.31**	**.44**	**.21**	.19	.10	.11	.08
Net income	**$ 1.28**	**$ 3.16**	**$ 1.85**	**$ .86**	$ .83	$ .68	$ .71	$ .67

(a) Non-interest income includes a gain on building lawsuit settlement of $11,740.

(b) Non-interest expense includes a refund of $2,102 of Ohio capital stock taxes paid in prior years.

(c) Non-interest expense includes the reversal of $1,467 of prior years' accrued but unpaid Ohio capital stock taxes.

Supplementary information on the effects of changing prices (unaudited)

The accompanying table has been prepared according to guidelines issued by the Financial Accounting Standards Board to illustrate certain aspects of how inflation affects Centran Corporation. Inflation-adjusted accounting is intended to supplement and not replace the basic historical financial statements and other financial data included in this report.

The inflation adjusted information in the table has been presented in accordance with the historical cost/constant dollar method of accounting which measures the effect of general inflation by converting historical data into the equivalent of average 1984 dollars using the Average Consumer Price Index for all Urban Consumers (CPI-U). Use of a constant dollar does not change the historical cost basis of measurement; it only changes the unit of measurement from historical dollars to constant, or deflated, dollars. Information computed using the current cost/constant dollar method, which measures the effects of changing prices of specific goods and services, does not differ materially from the historical cost/constant dollar adjusted amounts.

The asset and liability structure of Centran Corporation is primarily monetary in nature. Thus, depreciation and amortization of bank premises and equipment are the only expenses adjusted for inflation and no adjustment is made to income taxes. Net assets at year end represent historical stockholders' equity decreased by the loss of general purchasing power of net monetary assets held and increased by the inflation adjustment attributed to premises and equipment. During the recent periods of inflation, the Corporation's net investment in monetary assets has declined in terms of the general purchasing power of those fixed dollar amounts. Although this does represent a theoretical reduction in the purchasing power of equity, it is not necessarily the most meaningful way to assess the impact of inflation on the Corporation.

Management has not concluded whether the inflation adjusted information presented is useful or meaningful in evaluating the Corporation's performance and feels that separate techniques for analyzing specialized industries such as banking need to be further developed.

Selected supplementary financial data adjusted for effects of changing prices

	For the year ended December 31				
(in thousands, except per share data)	**1984**	1983	1982	1981	1980
Net interest income after provision for loan losses:					
As reported	**$ 94,378**	$ 81,700	$ 78,741	$ 53,687	$ 69,600
In average 1984 dollars	**94,378**	85,177	84,733	61,314	87,733
Income (loss) from continuing operations before extraordinary credit:					
As reported	**27,120**	15,061	(38,387)	(12,244)	24,608
In average 1984 dollars (a)	**24,682**	13,176	(43,995)	(16,935)	28,753
Income (loss) from continuing operations before extraordinary credit per common share:					
Primary (b):					
As reported	**5.26**	2.53	(10.69)	(3.16)	6.34
In average 1984 dollars	**4.63**	1.98	(12.19)	(4.36)	7.41
Assuming full dilution:					
As reported	**4.30**	2.41	*N.A.*	(3.16)	6.32
In average 1984 dollars	**3.92**	2.11	*N.A.*	(4.36)	7.39
Purchasing power loss from holding net monetary assets during the year in average 1984 dollars (c)	**4,615**	3,518	2,713	9,365	13,401
Net assets at year end:					
As reported	**217,834**	181,385	170,065	163,389	189,178
In average 1984 dollars	**257,403**	230,696	224,132	222,784	266,685
Cash dividends declared per common share:					
As reported	**.55**	.40	.40	.94	2.44
In average 1984 dollars	**.55**	.42	.43	1.07	3.08
Market price per common share at year end:					
Historical amount	**33.50**	19.00	14.50	19.00	27.25
In average 1984 dollars	**33.05**	19.48	15.43	21.00	32.81
Average Consumer Price Index for all Urban Consumers (CPI-U)	**311.1**	298.4	289.1	272.4	246.8

N.A. Not applicable because the calculation produces an anti-dilutive result.

(a) The inflation adjustment to depreciation and amortization expense of non-monetary assets, primarily bank premises and equipment, was $2,438,000 in 1984, which does not assume any income tax benefit.

(b) The computation of primary earnings per common share gives effect to the payment of dividends on preferred stock.

(c) In the computation of purchasing power loss, premises and equipment, net trading account assets, and certain other intangible assets are considered non-monetary.

Financial ratios and data

	1984	1983	1982	1981	1980
Income (loss) from continuing operations before extraordinary credit:					
Return on average:					
Total equity capital (a)	**13.8%**	8.6%	(22.8)%	(6.8)%	13.5%
Common shareholders' equity (b)	**16.1**	9.3	(37.6)	(6.8)	13.5
Earning assets	**1.0**	.6	(1.6)	(.5)	.9
Total assets	**.9**	.5	(1.4)	(.4)	.7
Common dividend payout ratio	**10.5**	15.8	—	—	38.5
Total dividend payout ratio	**32.4**	45.2	—	—	38.5
Net income (loss):					
Return on average:					
Total equity capital (a)	**22.9%**	10.3%	(34.9)%	(12.2)%	13.2%
Common shareholders' equity (b)	**30.2**	12.2	(56.0)	(12.2)	13.2
Earning assets	**1.7**	.7	(2.4)	(.9)	.9
Total assets	**1.5**	.6	(2.1)	(.7)	.7
Common dividend payout ratio	**5.6**	12.2	—	—	39.3
Total dividend payout ratio	**19.5**	37.7	—	—	39.3
Average total equity capital (a) as a percent of:					
Total assets	**6.7%**	6.2%	6.0 %	5.6 %	5.5%
Earning assets	**7.6**	7.0	7.0	7.0	6.9
Deposits	**8.9**	8.2	8.2	8.0	8.2
Loans (net of unearned income)	**12.1**	12.4	12.1	13.4	13.5
Average common shareholders' equity as a percent of:					
Total assets	**4.3%**	3.7%	3.9 %	5.6 %	5.5%
Earning assets	**4.9**	4.2	4.6	7.0	6.9
Deposits	**5.7**	4.9	5.4	8.0	8.2
Loans (net of unearned income)	**7.8**	7.5	8.0	13.4	13.5
Primary capital (c) at December 31 as a percent of:					
Total assets	**5.4%**	4.6%	4.4 %	6.2 %	6.0%
Earning assets	**6.2**	5.2	5.1	7.3	7.4
Deposits	**7.3**	6.0	5.9	8.6	8.7
Loans (net of unearned income)	**9.9**	8.5	8.9	13.3	14.8
Total capital (d) at December 31 as a percent of:					
Total assets	**8.8%**	8.4%	8.4 %	7.6 %	7.2%
Earning assets	**10.1**	9.5	9.7	9.0	8.8
Deposits	**11.8**	10.9	11.4	10.5	10.4
Loans (net of unearned income)	**16.2**	15.7	17.1	16.3	17.8
Average earning assets as a percent of average total assets	**88.3%**	87.9%	86.2 %	80.8 %	80.0%
Average loans (net of unearned income) as a percent of:					
Earning assets	**62.8%**	56.6%	57.4 %	52.2 %	51.4%
Deposits	**73.4**	66.1	67.9	60.2	61.0
Number of common shareholders	**6,175**	6,972	7,926	8,897	10,401
Book value per common share	**$37.95**	$28.66	$25.78	$42.09	$48.75

(a) Total Equity Capital consists of common shareholders' equity and redeemable preferred stock.

(b) Ratios are adjusted for the payment of dividends on preferred stock.

(c) Primary Capital consists of common shareholders' equity, the allowance for loan losses, and reserves.

(d) Total Capital consists of primary capital plus secondary capital. Secondary capital is qualifying redeemable preferred stock, subordinated notes, and debentures.

Net interest income, average balances, yields and rates

(Taxable equivalent basis)

(dollars in thousands)	1984			1983		
	Average Balance	**Interest & Fees**	**Yields/ Rates**	Average Balance	Interest & Fees	Yields/ Rates
Assets						
Loans:						
Commercial, financial and agricultural	**$ 700,604**	**$ 86,289**	**12.32%**	$ 544,448	$ 62,921	11.56%
Tax-exempt (a)	**42,588**	**5,967**	**14.01**	51,486	7,255	14.09
Federal funds sold—term	**46,335**	**5,107**	**11.02**	40,400	3,996	9.89
Real estate—construction	**39,086**	**4,982**	**12.75**	27,217	3,190	11.72
Real estate—mortgage	**395,327**	**46,006**	**11.64**	342,720	37,334	10.89
Installment loans to individuals	**293,622**	**44,224**	**15.06**	265,069	41,660	15.72
Foreign	**108,761**	**12,731**	**11.71**	140,364	15,598	11.11
Total loans (a) (b)	**1,626,323**	**205,306**	**12.62**	1,411,704	171,954	12.18
Investment securities:						
Taxable securities due after one year	**373,314**	**37,641**	**10.08**	419,686	42,089	10.03
Tax-exempt securities (a)	**122,225**	**13,006**	**10.64**	130,797	13,880	10.61
Total investment securities (a)	**495,539**	**50,647**	**10.22**	550,483	55,969	10.17
Short-term investments:						
Federal funds sold and security resale agreements	**83,951**	**8,493**	**10.12**	118,951	10,909	9.17
Interest bearing deposits with banks (c)	**289,021**	**32,160**	**11.13**	375,615	37,745	10.05
Trading account assets (a)	**5,260**	**585**	**11.12**	4,067	408	10.03
Taxable securities due within one year	**88,191**	**9,585**	**10.87**	35,273	4,117	11.67
Total short-term investments (a)	**466,423**	**50,823**	**10.90**	533,906	53,179	9.96
Total earning assets (a)	**2,588,285**	**$306,776**	**11.85**	2,496,093	$281,102	11.26
Less allowance for loan losses	**19,936**			18,923		
Cash and due from banks	**187,109**			197,890		
Premises and equipment	**62,946**			66,609		
Due from customers on acceptances	**45,501**			34,956		
Other assets	**68,084**			63,533		
Total assets	**$2,931,989**			$2,840,158		
Liabilities						
NOW deposits	**$ 125,196**	**$ 6,741**	**5.38%**	$ 109,794	$ 5,857	5.33%
Savings deposits	**299,297**	**15,542**	**5.19**	328,413	16,754	5.10
Money market accounts	**343,407**	**29,615**	**8.62**	276,846	23,036	8.32
Time deposits under $100,000	**633,660**	**64,915**	**10.24**	602,237	60,675	10.07
Total interest bearing core deposits	**1,401,560**	**116,813**	**8.33**	1,317,290	106,322	8.07
Time deposits $100,000 or more	**240,898**	**24,914**	**10.34**	233,516	21,390	9.16
Interest bearing deposits in foreign offices	**107,310**	**11,284**	**10.52**	111,598	10,297	9.23
Short-term borrowings	**401,916**	**39,957**	**9.94**	409,850	36,450	8.89
Total short-term funds	**750,124**	**76,155**	**10.15**	754,964	68,137	9.03
Long-term debt	**44,497**	**3,206**	**7.20**	55,129	4,327	7.85
Total interest bearing liabilities	**2,196,181**	**$196,174**	**8.93**	2,127,383	$178,786	8.40
Demand deposits	**466,335**			473,416		
Other liabilities	**72,381**			64,154		
Redeemable preferred stock	**70,000**			70,000		
Common shareholders' equity	**127,092**			105,205		
Total liabilities and shareholders' equity	**$2,931,989**			$2,840,158		
Interest income/earning assets			**11.85%**			11.26%
Interest expense/earning assets			**7.58**			7.16
Net interest margin taxable equivalent basis			**4.27**			4.10
Less taxable equivalent adjustment			**(.33)**			(.39)
Net interest margin without taxable equivalent adjustment			**3.94%**			3.71%

N.A. Not available.

The percentage of average foreign assets to total average assets was approximately 9.3% in 1984, 11.5% in 1983, 14.3% in 1982, 12.1% in 1981, and 15.2% in 1980. The percentage of average foreign liabilities to total average liabilities was approximately 1.4% in 1984, 1.3% in 1983, 2.0% in 1982, 2.4% in 1981, and 3.2% in 1980.

(a) Includes taxable equivalent adjustments of $8,696,000 in 1984, $9,719,000 in 1983, zero in 1982, $2,421,000 in 1981, and $21,755,000 in 1980. The adjustments for 1984, 1983, and 1980 were based on the statutory rate of 46%, while the 1981 adjustment was based on an effective rate of 8.6%.

(b) Unearned income and nonaccrual loan principal are included in average balances. Related loan fees and cash income received on nonaccrual loans are included in interest income.

(c) Interest bearing deposits with banks are principally Eurodollar deposits.

1982			1981			1980		
Average Balance	Interest & Fees	Yields/ Rates	Average Balance	Interest & Fees	Yields/ Rates	Average Balance	Interest & Fees	Yields/ Rates
$ 525,680	$ 76,589	14.57%	$ 527,011	$ 89,905	17.06%	$ 555,776	$ 79,609	14.32%
59,110	5,010	8.48	70,076	6,617	9.44	67,078	9,124	13.60
33,523	4,790	14.29	—0—	—0—	—	—0—	—0—	—
27,135	4,094	15.09	19,815	2,770	13.98	31,543	3,441	10.91
341,503	35,960	10.53	343,978	34,627	10.07	327,970	31,282	9.54
256,407	41,482	16.18	253,314	37,574	14.83	240,450	32,399	13.47
143,516	18,193	12.68	141,480	23,680	16.74	128,920	17,498	13.57
1,386,874	186,118	13.42	1,355,674	195,173	14.40	1,351,737	173,353	12.82
403,891	41,104	10.18	551,948	55,640	10.08	480,859	46,319	9.63
202,394	11,997	5.93	333,576	21,668	6.50	355,829	38,166	10.73
606,285	53,101	8.76	885,524	77,308	8.73	836,688	84,485	10.10
103,129	14,248	13.82	97,048	15,191	15.65	57,701	7,565	13.11
279,027	40,262	14.43	248,494	40,356	16.24	377,017	48,258	12.80
3,404	379	11.13	11,178	1,475	13.20	8,957	1,096	12.24
38,503	4,246	11.03	N.A.	N.A.	—	N.A.	N.A.	—
424,063	59,135	13.94	356,720	57,022	15.99	443,675	56,919	12.83
2,417,222	$298,354	12.34	2,597,918	$329,503	12.68	2,632,100	$314,757	11.96
17,360			18,150			18,114		
223,382			402,749			457,760		
67,831			63,756			60,185		
50,947			101,817			94,151		
62,400			68,312			63,196		
$2,804,422			$3,216,402			$3,289,278		
$ 94,749	$ 4,997	5.27%	$ 69,732	$ 3,653	5.24%	$ 69	$ 4	5.23%
380,130	19,453	5.12	395,868	20,262	5.12	440,910	22,632	5.13
664	102	15.35	—0—	—0—	—	—0—	—0—	—
656,419	78,804	12.01	576,994	68,793	11.92	447,463	41,031	9.17
1,131,962	103,356	9.13	1,042,594	92,708	8.89	888,442	63,667	7.17
303,710	37,978	12.50	390,170	60,488	15.50	375,975	48,323	12.85
107,498	14,745	13.72	107,432	18,124	16.87	123,554	16,677	13.50
435,053	49,127	11.29	576,555	91,966	15.95	687,189	83,777	12.19
846,261	101,850	12.04	1,074,157	170,578	15.88	1,186,718	148,777	12.54
63,515	4,981	7.84	75,590	6,553	8.67	75,726	5,968	7.88
2,041,738	$210,187	10.29	2,192,341	$269,839	12.31	2,150,886	$218,412	10.15
499,887			710,604			828,913		
94,547			132,321			126,970		
57,918			—0—			—0—		
110,332			181,136			182,509		
$2,804,422			$3,216,402			$3,289,278		
		12.34%			12.68%			11.96%
		8.69			10.39			8.30
		3.65			2.29			3.66
		—0—			(.09)			(.83)
		3.65%			2.20%			2.83%

Subsidiary banks' statements of condition

(in thousands)

December 31, 1984	Central National Bank	Centran Bank of Akron	Richland Trust	Franklin Bank	Farmers and Savings Bank	Sutton State Bank
Assets						
Earning assets:						
Loans (net of unearned income)	$1,286,908	$209,270	$ 95,649	$69,602	$17,919	$16,415
Less allowance for loan losses	18,454	564	948	441	217	186
Net loans	1,268,454	208,706	94,701	69,161	17,702	16,229
Investment securities:						
Taxable securities due after one year	342,287	21,290	14,869	7,800	4,547	2,494
Tax-exempt securities	96,034	9,252	9,475	3,671	1,160	1,244
Total investment securities	438,321	30,542	24,344	11,471	5,707	3,738
Short-term investments:						
Federal funds sold and security resale agreements	94,441	7,000	6,600	550	1,500	2,400
Interest bearing deposits with banks	245,998	34,000	2,000	—0—	1,000	—0—
Trading account assets	6,974	—0—	—0—	—0—	—0—	—0—
Taxable securities due within one year	70,298	16,144	21,504	4,998	4,603	3,952
Total short-term investments	417,711	57,144	30,104	5,548	7,103	6,352
Total earning assets	2,124,486	296,392	149,149	86,180	30,512	26,319
Cash and due from banks	203,629	19,419	10,056	5,120	1,618	797
Premises and equipment	45,840	5,302	2,304	2,448	352	260
Due from customers on acceptances	55,680	—0—	—0—	—0—	—0—	—0—
Other assets	57,513	7,452	2,370	1,353	600	573
Total assets	$2,487,148	$328,565	$163,879	$95,101	$33,082	$27,949
Liabilities						
Deposits in domestic offices:						
Demand deposits	$ 451,284	$ 48,663	$ 27,953	$11,633	$ 3,487	$ 1,493
NOW deposits	96,891	13,720	13,105	8,848	2,671	2,627
Savings deposits	200,874	50,096	18,081	8,823	4,487	3,487
Money market accounts	283,583	58,602	16,983	12,733	2,835	2,925
Time deposits under $100,000	444,939	88,427	57,698	36,789	15,572	14,063
Time deposits $100,000 or more	180,527	35,052	11,862	7,942	1,144	761
Deposits in foreign offices	84,954	—0—	—0—	—0—	—0—	—0—
Total deposits	1,743,052	294,560	145,682	86,768	30,196	25,356
Federal funds purchased and security repurchase agreements	411,759	104	1,830	—0—	—0—	—0—
Other short-term borrowings	53,422	4,465	1,873	839	—0—	90
Other liabilities	72,481	2,946	1,287	1,358	236	288
Long-term debt	21,209	—0—	600	388	4	—0—
Total liabilities	2,301,923	302,075	151,272	89,353	30,436	25,734
Redeemable preferred stock	55,000	—0—	—0—	500	—0—	—0—
Common shareholders' equity and reserves	130,225	26,490	12,607	5,248	2,646	2,215
Total liabilities and shareholders' equity	$2,487,148	$328,565	$163,879	$95,101	$33,082	$27,949
Capital ratios:						
Primary capital as a percent of total assets	5.98%	8.23%	8.27%	6.51%	8.65%	8.59%
Total capital as a percent of total assets	8.82%	8.23%	8.64%	8.61%	8.65%	8.59%

Subsidiaries

Commercial Bank Subsidiaries*

Central National Bank of Cleveland

800 Superior Avenue, Cleveland, Ohio 44114 Telephone: (216) 344-3000
Telex: 98-0174 CENTRAL CLV

Wilson M. Brown, Jr.
Chairman, President, and Chief Executive

Roger Noall
Executive Vice President

David L. Stith
Executive Vice President

Stephen E. Wall
Executive Vice President

Richard W. Epps
Senior Vice President

Anthony Heyworth
Senior Vice President

Richard Kessler
Senior Vice President

John B. McCarter
Senior Vice President

Thomas M. Neel
Senior Vice President

W. Robert Perkins
Senior Vice President

Richard P. Reed
Senior Vice President

Centran Bank of Akron

157 South Main Street, Akron, Ohio 44308 Telephone: (216) 379-1681

Richard Kessler
President and Chief Executive

The Richland Trust Company

3 North Main Street, Mansfield, Ohio 44901 Telephone: (419) 522-4411

William P. Jilek
President and Chief Executive

D. Eugene Yarger
Executive Vice President

Richard L. Adams
Senior Vice President

S. A. Foltz
Senior Vice President

The Franklin Bank

733 Bethel Road, Columbus, Ohio 43220 Telephone: (614) 457-4171

Tiney M. McComb
Chairman, President, and Chief Executive

Guy E. Carr
Senior Vice President

The Farmers and Savings Bank

120 North Water Street, Loudonville, Ohio 44842 Telephone: (419) 994-4911

Dwight D. Mathias
President and Chief Executive

The Sutton State Bank

1 South Main Street, Attica, Ohio 44807 Telephone: (419) 426-3641

A. J. Sutton
President and Chief Executive

International Facilities

Central Cleveland International Bank

55 Broad Street, New York, New York 10004
Telephone: (212) 825-9200 Telex: 12-7779 CENTRALINT

Franz Pussel, Jr.
President

George C. Pollard
Senior Vice President and Manager

Mexico City Representative Office

Paseo de la Reforma 292-501; Mexico, D.F. 06600, Mexico
Telephone: (905) 533-4858 Telex: 1775722 CNBCME

Guillermo Teran
Representative

Nassau Branch

P.O. Box N3016; The Bahamas

Non-Bank Subsidiary

Centran Life Insurance Company

12000 Ford Road, Dallas, Texas 75234

David B. Manuel
President

**(Subsidiary banks are members of Federal Deposit Insurance Corporation)*

Officers and Directors

Officers

Wilson M. Brown, Jr.
Chairman, President,
and Chief Executive

Roger Noall
Executive Vice President
and Chief Financial Officer

David L. Stith
Executive Vice President

Stephen E. Wall
Executive Vice President

Richard W. Epps
Senior Vice President

Anthony Heyworth
Senior Vice President

W. Robert Perkins
Senior Vice President
and Treasurer

Richard Kessler
Vice President

Thomas M. Neel
Vice President
and Controller

Richard P. Reed
Vice President

Edward J. Seink
Vice President
and General Auditor

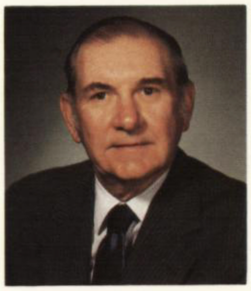
Board of Directors

Wilson M. Brown, Jr.

Chairman, President, and Chief Executive Officer, Centran Corporation and Central National Bank of Cleveland

Otes Bennett, Jr.

Chairman, Chief Executive Officer, and Director, The North American Coal Corporation, mining and marketing coal



Glenn R. Brown

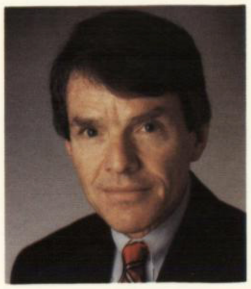
Senior Vice President and Director, The Standard Oil Company (Ohio), petroleum production, refining and marketing

Joseph T. Gorman

President, Chief Operating Officer, and Director, TRW Inc., diversified manufacturing and service company

Stephen R. Hardis

Executive Vice President—Finance and Administration, and Director, Eaton Corporation, diversified manufacturing company

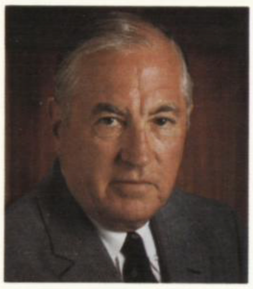


William F. Hauserman

Chairman, Chief Executive Officer, and Director, Hauserman, Inc., manufacturer of movable walls and office furniture

John J. Loftus

Retired Vice Chairman and Director, Republic Steel Corporation, manufacturer of steel

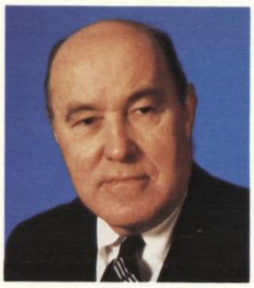


Robert D. McCreery

President, McCreery Corp., manufacturer of machine tool and welding equipment

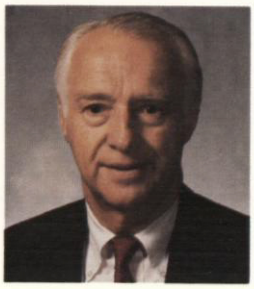
Thomas J. Quigley

Partner, Squire, Sanders & Dempsey, Attorneys-at-Law



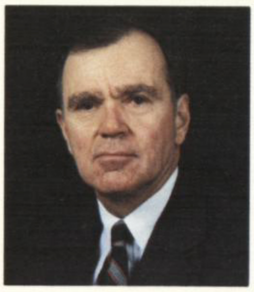
Thomas A. Quintrell

Partner, Arter & Hadden, Attorneys-at-Law



James S. Reid, Jr.

Chairman, President, and Director, The Standard Products Company, automotive parts supplier



Karl H. Rudolph

Chairman of the Executive Committee and Director, The Cleveland Electric Illuminating Co., electric utility

Ward Smith

President, Chief Operating Officer, and Director, White Consolidated Industries, Inc., manufacturer of machinery and equipment for industry and the consumer

Renold D. Thompson

President, Chief Executive Officer, and Director, Oglebay Norton Company, mining of iron ore, coal, and silica sand; transportation on the Great Lakes; coal dock service on the Ohio River; and specialized services and products to the steel industry

Shareholder Information

Common stock—market and dividend information

Centran's common stock was incorporated into the NASDAQ (National Association of Securities Dealers Automated Quotation) National Market System in 1983 under the symbol "CENB." The stock is listed among other qualifying stocks in the NASDAQ National Market table published in the Wall Street Journal and other major U.S. newspapers.

The accompanying table sets forth the market prices and cash dividends declared on common stock during each quarter of 1984 and 1983.

See the notes concerning the Society Corporation merger on page 39 and restrictions on dividends, loans or advances on page 35 in the notes to consolidated financial statements for additional information regarding Centran common stock.

Common stock and dividend information

	1984			1983		
	Market Price		Cash Dividends	Market Price		Cash Dividends
	High	**Low**	**Declared**	High	Low	Declared
Quarter ended:						
March 31	**$24½**	**$18½**	**$.10**	$18	$14½	$.10
June 30	**24¼**	**19**	**.15**	22	16¾	.10
September 30	**32**	**20**	**.15**	21¼	18	.10
December 31	**33¾**	**30**	**.15**	20¾	15¾	.10

The approximate number of holders of record of Centran Common Stock was 6,175 as of December 31, 1984.

Annual meeting of shareholders

Shareholders will be notified of the date and location of Centran Corporation's 1985 Annual Meeting of Shareholders at a later date.

Retirement plan information

Summary Plan Descriptions and Summary Annual Reports of the employee retirement plans of Centran Corporation's subsidiaries, furnished to employees pursuant to the Employee Retirement Income Security Act of 1974 (ERISA) are available to shareholders upon payment of a reasonable charge for reproduction and mailing. Written requests should be forwarded to Roger Noall, executive vice president and chief financial officer, Centran Corporation.

Independent accountants

Ernst & Whinney
1300 Huntington Building
Cleveland, Ohio 44115

Form 10-K available to shareholders

Shareholders may obtain a copy of Form 10-K, filed with the U.S. Securities and Exchange Commission, upon written request to W. Robert Perkins, senior vice president and treasurer, Centran Corporation.

This report will be available without charge after April 1, 1985.

Dividend reinvestment plan

Centran shareholders may avail themselves of a dividend reinvestment plan, which provides for the automatic application of cash dividends to the purchase of additional shares of Centran common stock.

This plan is offered and administered by our transfer agent. For additional details and authorization cards, please write directly to the Dividend Reinvestment Department of Morgan Guaranty Trust Company at the address shown below and identify yourself as a Centran shareholder.

Transfer agent

Morgan Guaranty Trust Company
of New York
30 West Broadway
New York, New York 10015

All inquiries concerning dividend checks, the dividend reinvestment plan or your shareholder records should be directed in writing to the above transfer agent. Please indicate that you are a Centran Corporation shareholder and provide your shareholder account number.

Additional information contacts

Analysts and other members of the investment community desiring financial information about Centran Corporation should contact W. Robert Perkins, senior vice president and treasurer, (216) 344-5308.

Individual shareholders and news media representatives should contact Charles C. Hargis, communications and public relations manager, at (216) 344-3751.

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